The Measurement of Unemployment in Europe with particular reference to Britain, France and Poland

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Declaration

The author of this study hereby declares that whilst he has been registered as a candidate for the degree for which submission is made he has not been a registered candidate or enrolled student for another award of the University of Wolverhampton or any other academic or professional institution during the research programme.

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Abstract of PH.D. Thesis

The Measurement of Unemployment in Europe with particular reference to Britain, France and Poland.

The aim of the thesis is to establish a theoretical framework for the measurement of unemployment. The measurement of social phenomena is understood as a social construction. The main characteristics of the history of statistics and statistical production are identified as the state monopoly of statistics and the prevailing view of statistics, statistical consciousness.

Three aspects of the origins and development of unemployment are then scrutinised. Firstly, the relationship between unemployment, wage-labour, gender, and the industrial revolution are discussed. Secondly, on an ideological level, the late conceptualisation of unemployment is considered, its significance being the relative autonomy between the reality and representation of unemployment. Thirdly, the history of social policy and state labour market intervention are studied to demonstrate the way in which both have shaped unemployment and its measurement.

The next stage of analysis is the measurement of unemployment in Europe. This takes two forms a general overview of contemporary Western Europe and single country studies of Britain, France and Poland. The former attempts to outline some of the general issues of the measurement of unemployment and to establish a methodological approach for the single country studies. The criteria of choice for closer investigation included political controversies in unemployment measurement, labour market intervention, social and economic development, and the `statistical revolution' in Eastern Europe. Britain was chosen because of the acuteness of the controversies in the measurement of unemployment and its leading position in the industrial revolution, due to the latter both unemployment and statistics have a comparatively long and significant history. France also shares these characteristics but aspects of its development, its unique path of industrialisation and the impact of the French Revolution on the state, make it worthy of study in its own right. Poland is dissimilar to Britain and France in both these respects, however its experiences of state-formation with independence, Stalinism and the transition to a market economy, make it of particular comparative interest.

TABLE OF ABBREVIATIONS AND CONVENTIONS

A.C.C.	Allocation Conventionelle Complementaire
A.C.S.	Allocation Conventionelle de Solidarite
A.E.U.	Amalgamated Engineering Union
A.N.P.E.	Agence National Pour L'Emploi
A.R.I.E.S.	Association de Recherches Internationales Economiques
A.S.-F.N.E.	Allocation Speciale- Fonds National Emploi
B.L.S.	Bureau of Labor Statistics (U.S.)
C.C.	Claimant Count
COMECON	Council for Mutual Economic Assistance
C.P.E.	Centrally Planned Economy
C.P.S.U.	Communist Party of the Soviet Union
C.S.O.	Central Statistical Office (UK)
C.U.P.	Central Planning Office (Poland)
D.E.	Department of Employment
D.E.F.M.	Demandeurs d'Emploi en Fin de Mois
D.E.N.S.	Demandeurs d'Emploi Non-Satisfaits
D.E.S.	Department of Education and Science
E.C.	European Commission
E.E.C.	European Economic Community
E.G.	Employment Gazette
E.S.R.C.	Economic and Social Research Council
E.T.	Employment Training
EUROSTAT	Statistical Office of the European Community
F.E.S.	Family Expenditure Survey
F.N.E.	Fonds National Emploi
G.D.P.	Gross Domestic Product

G.H.S.	General Household Survey
G.I.D.E.	Gestion Informatique des Demandeurs d'Emploi
G.N.P.	Gross National Product
G.R.D.	Guarantie de Resources Demission
G.R.L.	Guarantie de Resources Licencement
G.U.S.	Central Statistical Office (Poland)
I.B.	Invalidity Benefit
I.E.A.	Institute of Economic Affairs
I.L.O.	International Labour Organisation
J.R.S.	Job Release Scheme
I.N.S.E.E.	Institut National de Statistiques et Etudes Economiques
L.F.S.	Labour Force Survey
M.P.S.	Material Product System
N.C.I.B.	Non-Contributory Invalidity Benefit
N.M.P.	Net Material Product
N.I.	National Insurance (U.K.)
O.E.C.D.	Organisation for Economic Cooperation and Development
O.C.P.S.	Office of Census and Population Surveys
O.P.S.	Occupational Pension Scheme
P.C.P.	Polish Communist Party
P.P.S.	Polish Socialist Party
R.P.A.	Redundancies Payments Act
S.D.A.	Severe Disablement Allowance
S.I.V.P.	Stage d'Insertion dans la Vie Professionelle
T.U.C.	Travail de Utilite Collective
U.N.E.D.I.C.	Union National Interprofessionel pour L'Emploi dans L'Industrie et Commerce

U.B.	Unemployment Benefit
U.S.S.R.	Union of Soviet Socialist Republics
U.U.	Unemployment Unit
Y.O.P.	Youth Opportunities Programme
Y.T.S.	Youth Training Scheme

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Figure 5.3a Training Schemes in France and their Treatment in the Statistics

Introduction : The Measurement of Unemployment: A Problem of Measuring Social Phenomena

The measurement of social phenomena is an issue that has been insufficiently dealt with both on a theoretical and an applied level. The process of measurement may at first sight seem straightforward. The reality however, should be understood as a combination of pressures constantly shaping and reshaping measured phenomena and the measurement process. The measurement of social phenomena should be considered as a complex social process. However, a mythology surrounds measurement which needs scientific explanation.[1]

This mythology is the result, even when not obviously so, of empiricist and positivist tendencies in the measurement of social phenomena. Both view the world as one where objects and subjects are clearly demarcated and where knowledge is an accumulation of facts. For empiricism, the accumulation of facts is the end in itself; for positivism, it is the means to the end of scientific law. For both, statistical data are facts and therefore superior to opinion in the construction of knowledge.

However, measurement is neither a purely quantitative nor a purely objective process; in statistics there can

be no radical separation between quantity and quality, between object and subject. Lack of clarity on this point leads to confusion. The subjective and qualitative dimensions of measurement are not initially obvious, but this is no reason for discounting their significance. Quality and subjectivity intervene in the process of measurement as a consequence of the relation between the object of measurement and the measurer, the choices of measurers, the institutional context of measurers, and the definitions and categorisation of phenomena. Hence, our first demon to exorcise is the notion of measurement as an exclusively objective or quantitative process. If this were the case, unemployment measurement would be a purely technical operation without significant cause for controversy. Nobody could disagree who is to be considered unemployed, or how many are unemployed. However clearly this is not so.

Secondly, there is the myth of universal measurement. It seems that all social phenomena can be quantified or measured in modern society. This myth of universal measurement conceals the disputable priorities in the selection of phenomena to be quantified.[2] Hence governments are prone to publish more regular unemployment figures than poverty figures. Finally, there is the myth of historical measurement which conceals the internal and external pressures that often

invalidate historical comparison of measured social phenomena. Comparisons between the levels of measured unemployment in the 1930s and the 1980s demonstrate that the superficial juxtaposition of unemployment figures which are calculated on different bases is far from adequate.

Hence, the measurement of social phenomena requires serious analysis at the general and at the applied level. The central question is the measurement of social phenomena and the need to analyse the social process of measurement. Specifically, we are concerned with the measurement of unemployment but the aim is to generate conclusions that are applicable to social measurement in general. Therefore, the question becomes how can the measurement of unemployment be understood as a social process? How does the social construction of unemployment interact with the measurement of social phenomena?

The problematic of unemployment measurement was chosen for a number of reasons. Firstly, unemployment provides a complex phenomena which allows a richness of analysis that other social phenomena could not.[3] Secondly, real arguments exist about unemployment not only in the realm of economic theory or policy, but also at the level of

measurement - indeed, it is one of the social phenomena whose measurement has produced some of the most extensive and controversial debate. Thirdly, there is a body of work which, despite its limitations, has in recent years made a step forward in the understanding of unemployment as a social and historical construction.[4] Finally, there is the importance of unemployment as an indictment of the society that creates it, and as a measure of economic, social and political well-being.[5]

Having specified the central question of the thesis, we are now presented with the questions of approach and methodology. Within the broad subject of measurement of social phenomena and the development of unemployment in particular.

We can identify several general weaknesses in the existing scholarship. Firstly, the general separation of unemployment from the process of measurement constitutes a significant shortcoming. Garside, a British economic historian commissioned by the Warwick University Industrial Relations Unit, did attempt to discuss both aspects but did so in a manner that considered the technical evolution of unemployment measurement as its subject. He therefore undertheorises the development of unemployment and statistics as social processes.[6] The seriousness of this weakness of separating unemployment

from its measurement becomes clear when we consider that we usually confront unemployment in political and economic debate in its quantified form. It would be a worthless exercise to criticise any particular work for this separation, but it is valid to say that the separation is a fetter upon the establishment of a well founded discussion of unemployment. This separation is related to the second weakness, a tendency among scholars to treat unemployment in a deterministic or one-sided manner. Several scholars have examined the relationship between unemployment and a structural theme. For Garside it was the technical changes in unemployment measurement; for Robert Salais, a leading French official labour statistician and academic, it was the fordist large-scale unit of production; for John Garraty, an American economic historian, it was economic thought. Each of these authors has dealt with unemployment in a deterministic manner as they selected a variable with which they tried to establish a historical relationship to unemployment.

Another weakness of the approaches to unemployment is that they are restricted, whether it be in a historical or geographical sense. This criticism may at first sight seem unjustified - surely it is not possible to write an account that deals with the general experience of unemployment. However the criticism does stand when we

consider that the conclusions that authors draw are often meant to apply for unemployment in general but are based on the study of France or Britain or Massachusetts or the twentieth century.[7]

To summarise then, the current literature separates the two dimensions of measurement and unemployment. Some scholars have developed historical analysis of the development of unemployment, but they are restricted to a single case, be it a country or region. Others attempt a wider starting point but ignore the historical dimension. Another approach focuses upon the purely technical changes in the process of unemployment measurement. In each case there is no satisfactory attempt to understand the two dimensions on comparative and historical levels.

The methodological challenge therefore is to overcome the deficiencies or lacunae in existing scholarship. It is in the attempt to bridge these gaps that the originality of the thesis lies. The major weaknesses of existing analysis can be overcome at least partially by the following.

Firstly, the separation between the processes of unemployment and measurement is rejected. These

processes are understood as complex interacting social and historical constructions. Thus both unemployment and measurement require historical-theoretical analysis. Having done this, a synthesis is possible. This analysis should be considered as the theoretical foundations of the thesis.

Secondly, we reject the trap of establishing the relationship between unemployment and some other historical variable (the obvious choice would be statistics). Measured unemployment is not determined by economic thought, techniques of measurement or fordist production. Instead we adopt an approach which examines a multiplicity of pressures which shape measured unemployment.

Thirdly, we attempt to resolve the problem of the partial study of unemployment, claiming to reach general, if not universal, conclusions about unemployment measurement. This is done by not relying simply on a *single* case study. Instead a comparative approach is adopted which begins with a general contemporary chapter on the measurement of unemployment in contemporary Western Europe and moves on to more focused studies firmly rooting our understanding of measured unemployment in the soil of Britain, France and

Poland. This combination serves as the methodological means for a generalised, rather than partial, study. This is complemented by a general historical analysis of unemployment and the measurement of social phenomena. The single-country studies enable detailed and concrete discussion of the problems set up by the theoretical discussion. Thus, we avoid both overgeneralisation and also the limitation of the single case study.

Having outlined the logic of the thesis, it is now necessary to identify the major concerns of the individual chapters , to explain their selection, progression and their relationship one another.

The first chapter develops a historical analysis of the statistical measurement of social processes. The existing histories of statistics serve as a useful source for identifying important questions concerning the social process of measurement. Firstly, the question of periodisation, origins and distinguishing features of statistics are broached. Historians disagree on these points but their answers are connected to the question of the choice of historical approach to statistics and the dynamic principle involved in statistics.[8] Secondly, the existing literature poses the question of methodological approach. Authors have adopted various

approaches to the history of statistics.[9] We aim to discuss the advantages of each and draw conclusions as to which approach holds the key to unlocking the historical nature and significance of the development of statistical measurement of social phenomena. Thirdly, we then attempt to establish the dynamic of the measurement of social phenomena and to grasp its pattern of development from its origins to the present.

The second chapter explores the development of unemployment. Again, our starting point is to examine existing literature and to select the sequence of questions needed to understand unemployment. Several of these studies either identify industrial capitalism or wage-labour as the underlying reason for the emergence of unemployment. This observation opens out a number of issues which require attention. Firstly, the question of how wage-labour brings about unemployment is investigated. Secondly, if wage labour is the cause of unemployment then we need to explain why `unemployment' was not recognised at a far earlier stage than most scholars accept. Thirdly, we must consider how to deal with the poor who lack work before generalised wage-labour and whether they should be considered unemployed. Fourthly, if industrial capitalism generalises wage-labour and therefore the possibility for unemployment, we will assess why the experience of men and women was so markedly different in this respect. Finally, we must

ask why the state seems to have such an impact upon the definition of unemployment.

Chapter three applies some of the issues developed in the first two chapters to contemporary Western Europe. Firstly, the organisations dealing with unemployment measurement and their methods of measurement are discussed. Secondly, a detailed method of categorising the flows between labour market states of employment, inactivity and unemployment is developed. Having done this it will be shown that people move between different labour market states for specific reasons. Flow categories can thus be established in the comparative analysis of unemployment rates. Hence, we find that migration, disability, education and training, women and early retirement all potentially influence levels of unemployment as well as more obvious economic conditions. In comparing the measurement of unemployment in Western Europe, these categories cannot be ignored. The justification of choosing to investigate contemporary Western Europe is to demonstrate the comparative methodology for a relatively homogeneous set of countries.

Having established a general case in the first three chapters, the fourth, fifth and sixth chapters apply our findings to individual country studies. The

underlying logic is to pose the central question of the thesis at the particular as well as the general level. The choice of the individual country studies allows a demonstration of complexity at the level of comparison. The methodology established in Chapter three is combined with a wider discussion of historical, institutional and theoretical issues.

The British case was selected for a number of reasons. Political controversy of measured unemployment has been particularly sharpened in Britain since the 1970s.[10] Britain was also the first industrial nation and in respect of its economic and social development demonstrates several features which make it an apt choice for study and comparison. As the first to undergo the industrial revolution there are well established long-run trends in unemployment. Its early development of industrial capitalism also makes it suitable on the statistical count.[11] In Britain, there is a long history of official statistics. Modern statistics itself is said to have its origin in political arithmetic which was founded in post-Civil War Britain. Hence for the processes described in chapters one and two Britain offers an extensive literature and was at the forefront of these processes in many cases. It also provides us with a long history of debate and controversy about (measured) unemployment. Moreover by the end of the

post-war boom Britain was hit not only by the stagnation which affected much of the world economy but also by a decline relative to its nearest rivals. In the 1980s and early 1990s unemployment was an important political, social and economic issue. The country experienced persistent mass unemployment which spurred sharp political arguments and ideological reformulations. Thatcherism sought a new approach to unemployment and a shake up in the statistical apparatus of the state. Interestingly, the radical programme adopted by the government was hailed as an economic miracle, that was, they claimed substantiated by statistical evidence.

The French case demonstrates important points of comparison with Britain. An interesting literature exists for the construction of unemployment in France, in particular the work of Salais which should be considered as an important step forward in the understanding of unemployment.[12] France too has experienced political controversy about the measurement of unemployment. France too has a long history of economic and social development but a pattern of development with important differences from Britain.[13] French development is often dogged by the question of relative backwardness. The trajectory of French development is discussed and the implications for measured unemployment established. France, despite its

similarities with Britain, retained a far larger agricultural sector in the process of economic development. Its institutions which deal with the labour market and its measurement are significantly different from those in Britain. Also strategies for dealing with unemployment offer an interesting comparison to Britain.[14] Despite similar forms of policy, (i.e. welfarist responses to mass unemployment which have the effect of reducing the scope for unemployment) the content of policy was different.

Poland has been selected as it raises a series of fresh questions about the measurement of unemployment, most obviously because of its Stalinist past. The case of Stalinism questions the degree to which we can generalise our conclusions. Firstly, there is the comparison of the institutions of statistical measurement and their relation to the state and the examination of the statistical apparatus in transition at the end of the Second World War and in the recent `post-communist transition'.[15] Secondly, there are the questions raised by the nature of the labour force under Stalinism and the claim that unemployment had been abolished.[16] Whether or not this was the case, the subsequent transition poses important questions in terms of the conceptualisation and measurement of unemployment. In this respect Poland has been viewed as

at the forefront of the transition process in Eastern Europe with its programme of shock therapy.[17] Also, the scale of economic crisis is much greater than in either Britain or France, testing our conclusions about unemployment when conditions start to change dramatically.

Our conclusions seek to establish three things. Firstly, the validity of our central questions is restated. Secondly, the limitations and suitability of our methodology should be clarified, in particular with the choice of countries in chapters four, five and six. Thirdly, to summarise and synthesise conclusions of the preceding chapters to give general and internally coherent answers to the thesis.

1.A.Cicourel, Method and Measurement in Sociology, Collier- MacMillan, 1964, criticises positivism within sociology and its uncritical view of measurement. B.Hindess, The Official Use of Statistics: a Critique of Positivism and Ethnomethodology, MacMillan, 1973, criticises both positivism and subjectivist approaches to social statistics from Cicourel and the ethnomethodological school. J.Irvine, I.Miles & J.Evans (eds.), Demystifying Social Statistics, Pluto, 1979, is a work which sets out to establish a general approach to social statistics as such it builds on the work of Hindess, but by using several cases and dimensions of the problem, history, gender, official statisticians, the state, gives a more rounded account than Hindess.

2.Irvine, ibid.

3.On complexity of unemployment see, M.Godfrey, Global Unemployment, Wheatsheaf, 1986, looks at how the theoretical approaches to unemployment do not get to grips with the complexity of unemployment as a global phenomenon. N.Whiteside, Bad Times: Unemployment in British Social and Political History, Faber & Faber, 1991, argues that unemployment cannot be reduced to being a purely economic phenomena. R.Layard, S.Nickell, and R.Jackman, Unemployment: Macro-economic Performance and the Labour Market, Oxford University Press, 1991, describes the complex interaction of macro and micro economic elements on the economic level of unemployment.

4.For the new literature on unemployment as a socio-historical see: A.Keyssar, Out of Work, the First Century of Unemployment in Massachusetts, Cambridge University Press, 1986. A study of unemployment in Massachusetts which identifies struggles of the unemployed, social policy and unemployment insurance as key to the construction of unemployment. R.Salais, N.Baverez and B.Reynaud, L'Invention du Chomage, Presses Universitaire de France, 1986. This work examines unemployment in France as an invention connected to specific forms of work organisation. D.N.Ashton, Unemployment Under Capitalism, Sociology of British and American Labour Markets, Wheatsheaf, 1986. Has a useful chapter on the history of unemployment. K.Kumar, `Unemployment as a problem in the development of industrial societies: the English experience', Sociological Review, vol.32, no.2, May 1984. Investigates the early stages of unemployment development in England. J.A. Garraty, Unemployment in History, Harper & Row, 1978. Looks at unemployment in relation to prevailing economic and policy attitudes. M.J.Poire,`Historical Perspectives in the interpretation of unemployment', Journal of Economic Literature, vol.25, December 1987. Surveys the literature which approaches unemployment in a more historical

perspective.

5.For criticism of unemployment as a social evil there is a large body of literature. See, Jack London,`Carter and the Carpenter' in Revolution, Journeyman Press, 1979. On the condition of the unemployed in the East End of London at the turn of the century. G.Orwell, Road to Wigan Pier, Penguin, 1975. It is worth noting that Orwell criticises the unemployment figures in this survey of working class life for the Left Book Club. J.Steinbeck, The Grapes of Wrath, Heineman, 1976. J.Conroy, The Disinherited, Wang & Hill, 1979. On depression America - powerful literary indictments of unemployment in 1930s. H.L.Beales,Memoirs of the Unemployed, Gollancz, 1934. Testimonies of the unemployed. W.Hannington, Unemployed Struggles: 1919-36 My Life and Struggles amongst the Unemployed , Lawrence & Wishart, 1977. Experiences of unemployment in inter-war Britain by a member of the National Unemployed Workers Movement. J.Seabrook, Unemployment, Granada, 1983. A.Friend and A.Metcalf, Slump City, the Politics of Mass Unemployment, Pluto Press, 1981. Two early 1980s critiques of unemployment.

6.W.R.Garside, Measurement of Unemployment in Great Britain 1850-1979, Blackwell, 1980. G.D.N.Worswick, The Concept and Measurement of Involuntary Unemployment, Allen & Unwin, 1976. F.Field, The Conscript Army, a Study of Britain's Unemployed, Routledge and Kegan Paul, 1977. A.Showler. The Workless State, Studies in Unemployment, Robertson, 1981.

7.Garside, op. cit., study limited to Britain and technical question of measurement. Salais, op. cit., focuses on France, but the conclusions are offered as policy suggestions in a post-fordist world. Keyssar, op. cit., focuses on Massachusetts.

8.There are two periodisations of statistical origins- ancient and capitalist. For the ancient periodisation see: M.Zhu,`Earliest statistical tables in China', Journal of Official Statistics, vol.3, no.1, 1987. A.Madansky,`On biblical censuses', Journal of Official Statistics, vol.2, no.1, 1987. For the capitalist periodisation see: M.G.Kendall,`Where shall the history of statistics begin?', in E.S.Pearson and M.G.Kendall, Studies in the History of Statistics and Probability, vol.1, Griffen, 1970.

9.Historians of statistics according to historical approach: Idealist history of modern statistics: V.Hilts, The Statist and the Statistician, Ph.D thesis Harvard University, 1967. H.Westergaard, Contributions to the History of Statistics, Agathon, 1968. Biographical approach to the history of

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10.Unemployment statistics controversies in the 1970s-80s: For the 1970s left critique of hidden unemployment see: G.Standing,`The hidden workless', New Society, 14 October 1971. For the right wing case for cutting unemployment figures down to size of the 1970s see: J.Wood, How Much Unemployment?, Institute for Economic Affairs, 1972. For the left's attitude to the Thatcher government's unemployment figures: J.Rentoul, `Right lets start again: one, two..' New Statesman and Society, 1 August 1986.

11.C.H.Feinstein, Statistical Tables of National Income, Expenditure and Output of the UK 1855-1965, Cambridge University Press, 1976. Gives long run figures for the British economy including unemployment figures which extrapolate from trade union returns going back as far as 1860.

12.Salais et al, op. cit.

13.For the discussion of `French backwardness in the industrial revolution':N.F.S.Crafts, British Growth in the Industrial Revolution, Clarendon, 1985. For discussion of relative positioning of European economic development in the nineteenth century. R.Roehl,`French industrialisation: a reconsideration', Explorations in Economic History, no.3, 1976, the most trenchant refutation of the notion of French backwardness. P.O'Brien and C.Keyder, Economic Growth in Britain and France 1780-1914, Allen & Unwin, 1978.

14.For French institutional arrangements see O.Marchard and C.Thelot,`Active population, emploi, chomage: des evolutions pas toujours compatibles' Economie et Statistiques, November 1986.

15. For the changing Eastern European state statistical apparatus: B.D.Wolfe, Totalitarian Communism, Beacon Press, 1961, an account of the statistical blackout that accompanied Stalinist seizure of power. D.Blades,`Economies in transition: the statistical revolution in Central and Eastern Europe', OECD Observer, no.170, June/July 1991, on the changes in statistical apparatuses in Eastern Europe with the

transition to the market.

16.Z.M.Fallenbuchl,`Employment policies in Poland', in J.Adam (ed), Employment Policies in the Soviet Union and Eastern Europe, MacMillan, 1982. D.Lane,`Marxism-Leninism: an ideology for full-employment in socialist states?', in D.Lane (ed), Labour and Employment in USSR, Wheatsheaf, 1986.

17.M.Gora,`Shock therapy for the Polish Labour Market', International Labour Review, vol.130, no.2, 1991.

Chapter One: The History, Development and Social Meaning of Statistics

This first chapter begins our analysis with a study of the measurement of social phenomena, statistics. A thesis concerned with the measurement of unemployment should start with this question for several reasons.

Firstly, the importance of statistics in today's society cannot be underestimated. Modern finance and industry rely upon the production of accurate data. Governments and political parties are judged on the basis of statistical indicators: polls, membership figures, economic indicators. Policy-makers depend on statistics. Social scientists use statistics to gauge the authenticity of their theories. In this context, unemployment statistics has proved of concern in different academic disciplines, policy-making areas and public debate.

Secondly, the statistical process itself is undertheorised. Without starting with the problematic of social statistics, the measurement of unemployment could not be understood. With this plan, we are able to establish the characteristics of statistics prior to our study of unemployment and the country studies of unemployment figures. Therefore we are better placed to

disentangle features of statistics themselves from realities of unemployment proper.

Thirdly, statistical knowledge is often presented as objective data untouched by the grubby, subjective hands of human beings. This empiricist approach to data has long been discarded by serious commentators on social statistics. All statistics are the end result of a social process. As Max Weber put it,

> *Nowadays ..... there is a widespread notion that science has become a problem of calculation, fabricated in laboratories or statistical filing systems just as `in a factory', a calculation involving only the cool intellect not one's `heart and soul'. First of all one must say that such comments lack all clarity about what goes on in a factory or laboratory.*[1]

Finally, statistical knowledge is socially constructed; it is in the light of this that we have to consider the theoretical problems that arise from the history of statistics.[2] Advanced industrial society is complex and quantification has become a necessary compliment to observation. However, in the long history of humanity, this has not always been the case. Indeed, the statistical revolution is a relatively recent phenomenon, its maturity dating only from about the turn of the nineteenth century. The history of statistics, then, itself requires investigation. We must study measurement before we study the measurement of unemployment.

One aspect of this social construction of statistics more than any other requires particular attention, that is, the role of the state in the development of statistics. The state established a very early monopoly of statistical collection. Although many organisations use and reprocess and develop information derived from the state, for example, opinion polls and market research, no other organisation is able to challenge this monopoly. A radical group of British official statisticians, the Government Statisticians Collective, drew attention to this,

> *Statistics do not, in some mysterious way, emanate directly from the social conditions they appear to describe, ... between the two lie the assumptions, conceptions and priorities of the state and the social order, a large, complex and imperfectly functioning bureaucracy, tonnes of paper and computing machinery, and - last but not least - millions of hours of human grind.*[3]

If statistics are a socio-historical construction, then we need to understand the process of construction. In our introduction we identified the undertheorisation of the measurement of unemployment as a problem in the existing literature. Insight into the socio-historical construction of statistics can provide one aspect of a solution to the problem of undertheorisation, insight into the construction of unemployment another. The relationship between the two completes the theoretical

jigsaw.

1.1 Theoretical Issues in the Development of Statistics

Our criteria for an historical understanding of statistics are threefold.

Firstly, it is necessary to establish what defines statistical and non-statistical epochs, or as several authors have put the question - when does the history of statistics begin ? Secondly, the approaches to the `history of statistics' need to be critically discussed. Thirdly, from our discussion of historical approaches, we aim to analyse the issues involved in investigating the historical nature of statistics. We need to judge whether statistics should be considered historically autonomous, how to clarify the relationship between statistics and other historical variables, ideology, science, the state, and what the driving force or logic of statistical development is.

From a linguistic perspective, the word `statistics' is derived from the Latin word statisticus - being of state affairs. Indeed, statistics entered the English language with the meaning `the study of states'. These `statistical' investigations were being undertaken by

German scholars from the seventeenth century. According to the Oxford English Dictionary, the word did not take its present meaning until the nineteenth century. From the late seventeenth to the nineteenth century `political arithmetic' denoted what we would understand by statistics today. However, in the nineteenth century, the word statistics was rapidly adopted by various languages. A modern definition is provided by Webster's New International Dictionary,

> *A science dealing with the collection, analysis, interpretation and presentation of masses of numerical data. A collection of quantitative data.*[4]

One might conclude on the basis of linguistic evidence alone that statistics did not develop until the nineteenth century. However, enumeration and collection of data predated the linguistic development of the word statistics. The early enumerations, for example the Biblical census, Domesday book, Chinese numerical tables, and European poll tax returns, pose a particular problem for us. Zhu and Madansky categorised these enumerations as being embryonically statistical. They considered that there was enough in common between them and modern statistics to consider them part of the same phenomenon.[5] On the other hand it has been argued that it is unrealistic to class such examples as part of the same species as modern statistics. M.G.Kendall attempted

to resolve this problem, asking `Where shall the history of statistics begin?'

> *The temptation to begin a history of statistics with references to endeavours in the ancient world to record information about states is one no writer has been able to resist. The numbering of the people of Israel, Augustus's balance-sheets of the Roman Empire, Charlemange's inventory of his possessions, the Domesday book, are felt to be a natural preliminary to the emergence descriptive statistics of the eighteenth century; as though they were early attempts undertaken in the spirit of modern statistics, hampered by the backward state of social organisation, but inspired by the same concepts.*[6]

Despite the differences, both perspectives concur that a qualitative distinction has to be made between these early enumerations and modern statistics. How this distinction is made is a theoretical problem. For Kendall, what distinguishes early enumerations from modern statistics can be put under three headings. Firstly, data collection is seen as an end in itself, a viable and necessary direction of research (unlike former enumerations which were by and large incidental or without interpretation). Consequently, statistical work implies a theoretical framework, an understanding of the inherent value of information, a statistical consciousness. Secondly, statistics takes on a comparative dimension, enumerations previously were unable to show comparison and therefore analyse results. Data was not collected in a comparative or systematic fashion. Statistical interpretation was non-existent.

Finally, the collection of data was not informed by structural or institutional forms concerned with statistics, such as the statistical societies or the official statistical offices. These criteria offer us one interpretation for the distinction, one which is by no means universally accepted.

Despite the differences between historical interpretations of the nature of the break and the precise distinction between statistical and non-statistical epochs, a consensus can be constructed. Agreement does exist that a qualitative change took place from the mid-seventeenth century with the rise of political arithmetic. This change is the origin of the revolutionary process which was to culminate in the explosion of statistics in the nineteenth and twentieth centuries which gave rise to employment and unemployment statistics as well as a mass of other statistical material.

This break is confirmed by an analysis of population statistics. In historical terms, the quantification of population provides a essential starting point in analysing the origins of the measurement of social phenomena. An understanding of population is impossible without an accurate idea of its size. The census, therefore, assumed a central significance within the evolution of statistics.

It is claimed that the first modern census took place in Quebec in 1666, others would opt for the Swedish census of 1749.[7] This is not the real issue, the precise date is not the crucial point what is important is the general period of change. The criteria of a modern census combines three elements. Firstly, the modern census is guided by an understanding of statistics as a science. Secondly, that censuses are taken in a standard and regularly repeated form. Thirdly, that they have been increasingly taken by experts or professional statisticians. Table one shows the uneven pattern of census across Europe.

Table 1.1: THE NATIONAL CENSUS AND THE DEVELOPMENT OF NATIONAL STATISTICS

country	official stat. office	1st.(regular) population census	number of censuses until 1971
Austria	1840 s.o. 1863 c.s.c.	1754	17 (1818-1910) +8 (1920-71)
Belgium	1831 s.o. 1841 c.s.c.	1846	13
Denmark	1797-1819 tabulating office 1834 tab. comm. 1850 s.o.	1769 (1834)	25
Finland	1865 s.o. 1865-84 central comm.	1751	34
France	1796-1812 s.o. 1833 s.o. 1855 s.c.	1801 (1821)	28
Germany	1872 imperial s.o.	1834	24 (1834-1939)
Prussia	1805 s.o.	1834	12 (1834-67)
Bavaria	1808 s.t.o.	1818	15 (1818-67)
Saxony	1851 s.o.	1832	13 (1832-67)
U.K.	1833 s.dept.	1801	17
Italy	1861 s.o. 1868 c.s.c.	1861	11
Netherl	1848-78 s.o. 1892 c.s.c.	1830	14
Norway	1797-1812 s.tab.c 1837 s.o. 1875 c.s.o.	1769 (1801)	17
Sweden	1756 tab.c. 1856 c.s.o & c.	1749	42
Switzerl	1860 s.o.	1837 (1850)	14

s.o. statistical office; c.s.c. central statistical commission; tab. tabulating

source: P.Flora, Quantitative Historical Sociology, Current Sociology, vol.23, no.2, 1975.

Table 1.1 charts when states had their first census and when institutional structures to collect statistics were put in place. A statistical awakening clearly took place in the eighteenth and nineteenth centuries. An acceleration of census occurred throughout the nineteenth century. The nineteenth century witnessed a spectacular explosion of statistics.

There are three obvious conclusions to be draw from this. It seems evident that the nineteenth and twentieth centuries mark a qualitative break with the past, whose statistical origins lie with the transformation brought about in the seventeenth century. This process constitutes what we might consider `the statistical revolution'. Secondly, the growth of census taking has been uninterrupted throughout the whole period. By the end of the nineteenth century in Europe, national censuses were required on a scientific, regular, nation-wide scale. Thirdly, we must note the connected and uneven nature of this development. There is no simple correlation in the chronological ranking of capitalist development and the first-census taking nations. However, a connection does exist in the timing of capitalist development on a European scale and the expansion of census taking.

The history of statistics poses us with another related

problem, that of which approach to use in order to best describe its evolution. The various approaches reflect the long term trends in histiography.[8] John Koren provided one of the earliest attempts to write a history of statistics. As editor of an early volume entitled **The History of Statistics** he brought together many prominent official statisticians from various national backgrounds.[9] The book is filled with important information and detail on the emergence of statistics in various countries. However, as a history of statistics, it suffered from major weaknesses. It combined an empiricist approach with a set assumptions that statistics was somehow an autonomous sphere outside the development of society. In one sense the volume is unsatisfactory as a history of statistics precisely because it was written by official statisticians rather than historians. Koren and his colleagues did not pose criteria for developing a historical understanding of statistics. Thus, the book lacked a clear theoretical framework.

Greenwood's response was to examine early statistics from a biographical perspective.[10] He used documentation, letters and biographical accounts from political arithmetician's lives in order to shed light onto statistics. Biographical research into key statisticians provided interesting background but failed to explain

the logic of statistical development. It suffered from the narrowness of Koren's collection on the history of statistics.

These were both attempts to understand statistics independently of other historical processes. Both show the limitations of the assumption of the historical independence of statistics.

Other historians have attempted wider explanations but are divided according to whether they view intellectual or socio-economic processes as fundamental to that change.

Westergaard, writing in the inter-war period, described statistics in terms of an intellectual cycle of progress, stagnation and enthusiasm.[11] The ideas were carried and developed in the minds of one individual to the next. His narrative style logically complements this idealist approach. Hence, the early orthodoxy of the history of statistics that emerged from this analysis charted the intellectual process which was undertaken by like-minded progressive individuals. This approach made a great deal of sense when one considers the intellectual climate of the first statisticians, the development of modern science and medicine, Newtonian

physics, and the enlightenment. Hilts, in his 1968 Ph.D on the history of statistics, developed this argument. In his account of European pioneering statisticians, he clearly set out his perspective thus,

> *What is aimed is something more general, a discussion of statistics within the context of nineteenth century thought concerning the social sciences.*[12]

He focused therefore upon the pioneers themselves and the ideas that accompanied the development of statistics. It appeared only natural to identify statistics within various intellectual spheres, (political economy, liberalism, science, eugenics) operating through the actions of important individuals, (Petty, Graunt, Quetelet, Babbage and Pearson). Compared to the perspective of Koren and Greenwood, it was certainly a step forward, however, one limitation to this historical methodology was raised by Thomas Kuhn, a historian of the scientific revolutions. He pinpointed revolution as a key concept in the development of science.

> *Concerned with scientific development, the historian ..... appears to have two main tasks. On the one hand, he must determine by what man and at what point in time each contemporary fact, law, and theory was discovered or invented. On the other, he must describe and explain the congeries of error, myth, and superstition that inhibited the more rapid accumulation of the constituents of modern science text.... In recent years, however, a few historians of science have been finding it more and more difficult to fulfil the functions that the concept of development-by-*

> *accumulation assigns to them. As chroniclers of an incremental process, they discover additional research which makes it harder, not easier to answer questions like: When was oxygen discovered? Who first conceived of energy conservation ? Increasingly, a few of them think they are asking the wrong sorts of questions to ask.*[13]

In two respects Kuhn's criticism of orthodox histories of science apply to the history of statistics. Firstly, the history of statistics has to involve wider concerns than `who?' and `when?' Secondly, Kuhn's rejection of gradualism, his distinction of evolutionary and revolutionary aspects of the historical process applies to statistics as to science in general.

In contrast to the intellectual approach, Cullen and Shaw and Miles looked to social and economic factors rather than individuals and ideas alone. Cullen, who was researching the statistical movement in nineteenth century Britain, correlated statistical phases of development with certain social classes and their political and sociological point of view.[14] Cullen concluded that the nineteenth century statistical movement in Britain was essentially a bourgeois phenomenon, tracing links with reforming whigs. However, he did not attempt to analyse the deeper significance of this and its relation to the revolutionary rise of this class in Europe. As a result, Cullen's sociological or class approach was descriptive rather than dynamic.

Shaw and Miles's perspective contrasted that of the idealist historians even more starkly.[15] They were concerned with statistics as result of changing mode of production. Like Cullen, they assigned importance to the class character of the early statisticians, but for them this was of far greater significance, because of the role played by this class in the changes in the economic and social order. The new mode of production, modern capitalism, needed statistical science: its urbanisation, its complexity, the commodification of life, the extended technical threshold enabled and called forth modern statistics. Miles and Shaw identify commodity production as the crucial element in the rise of statistics. Their approach is an attempt at applying a Marxist methodology to the subject. For Marx and Engels,

> *The simple fact is that human beings must have their food, drink, clothing and shelter first of all, before they can interest themselves in politics, science, art, religion and the like.*[16]

According to Marxism then, the stage of development of material production was crucial to all other aspects of society. This distinction between the economic base and the superstructure is applied by Miles and Shaw to the development of statistics. Thus, they pin-pointed generalised commodity production as a condition which

necessitated the quantification of all aspects of production. They compare ancient and modern quantification thus,

> *..... although quantification is involved in such inventories, they cannot reasonably be regarded as statistical analyses. Nor did record-keeping and monetary comparisons, in themselves, necessitate the development of statistics. This was because people in both ancient and feudal societies were still mainly involved in producing goods for their own use. Although commodity production grew, it was still limited in scope: it had not become the typical form of production. The full dynamism of a money economy, in which more and more things are quantified, had not yet developed.*[17]

However, the first nations to take the census and set up statistical offices were not those nations to first undergo the industrial revolution. This does not invalidate the explanation, it does however demonstrate a limitation. In its defence, industrialisation was an Europe-wide phenomenon whose origins can be found from the seventeenth century, the industrial revolution displaced rural industrialisation with industrial urbanisation. Hence, this thesis is only a partial explanation.

To be able to understand the early development of statistics it is necessary therefore to synthesise the various elements emphasised by different historians. Firstly, the idealist approach, despite its ability to locate statistics within a period of intellectual

upheaval, is unconvincing because it leaves the timing, pattern and development of statistics in the arbitrarily hands of individuals. It is unable to explain why at certain points of development the state and society concerned themselves with statistics. Neither is it convincingly able to explain why at a certain historical epoch individuals were spurred to action, breakthroughs, discoveries in the statistical sphere or explain why statistics developed in such a dramatic explosive fashion. Therborn summed up the weakness of this approach,

> *But that the blossoming of political economy was part of a large and sophisticated intellectual movement does not mean that it `floated freely' above the classes and their struggle. This is obvious from the business and careers of many economists or civil servants. William Petty, whom Marx referred to as the first classical economist, made himself one of the country's biggest landlords in the course of his survey of Ireland.*[18]

Secondly, a descriptive sociological approach is limited in terms of its inability to go beyond explaining the concerns, the environmental and behavioural characteristics of the middle class pioneers of social statistics in Britain. For example, the descriptive sociological perspective is incapable in explaining the dynamic involved in the class relations that put these individuals in the position of challenging the ideas and methods of the old order yet retaining a distinct agenda reflecting the assumptions, prejudices and

interest of their class. This agenda was primarily concerned with education, crime and sanitation. Finally, whilst Miles and Irvine's materialist explanation can locate deeper causes for the development of statistics in this period but there is a danger of it being too crude an analysis, ignoring the complexity, contradictions, struggles of individuals and the importance of intellectual breakthroughs.

To overcome these problems therefore we need to reject both idealism and crude materialism, in favour of a dialectical synthesis of both approaches. Such a perspective would retain the surface complexity of the pattern of individual and state achievement. And at the same time explaining the underlying historical reasons for statistical quantification. Thus, it avoids the mistake of determinism which is simply not borne out by the evidence.

1.2 Understanding the Pioneers: From Political Arithmetic to the Statistical Societies

A consensus has developed that the real origins of modern statistics are to be found with political arithmetic of the late seventeenth century in Britain.[19] Political arithmetic was guided by the principle that the systematic collection of data could lead to

understanding in political, economic and social matters. Its chief adherents were Sir William Petty, John Graunt, Charles Davenant, Edmund Halley, and later Arthur Young. Their work consisted of a statistical assessment of data collected by the state, a criticism of the methods involved in such practices and a belief in quantification as a means of understanding society. The first work in the political arithmetic tradition was John Graunt's **Natural and Political Observations on the Bills of Mortality**. It consisted of an analysis of official figures of mortality in London which were collected because of the threat of the plague. Graunt's work differed from its subject in the sense that Kendall argued, that statistics cannot be simply equated with enumeration; Graunt's work is statistical whereas the bills of mortality are not.[20] Real similarities can also be seen between modern statisticians and Sir William Petty. He went so far as to call for a central statistical office. His aim was the scientific understanding the society by measurement.

> *Instead of using only comparative and superlative words, and intellectual arguments, I have taken the course (as a specimen of political arithmetic I have long aimed at) to express myself in terms of number, weight, or measure; to use only arguments of sense, and to consider only such causes; as have risible foundations in Nature; leaving those that depend on the mutable minds, opinions, appetites, and passions of particular men, to the consideration of others .... Nor the observations or positions expressed by number, weight, and measure ... are either true, or not apparently false, and which if not already true, certain, and evident, yet may not be made so by*

> *the sovereign power ... Nor would it misbehave authority itself, to clear the truth of those matters which private endeavours cannot reach to.*[21]

So what motivated the political arithmeticians to develop statistics? On an intellectual level, Petty was an acquaintance and admirer of the materialist philosopher Thomas Hobbes and a founding member of the Royal Society heavily influenced by the ideas of Francis Bacon. These two figures reflected a new intellectual environment which the political arithmeticians inherited. Materialism and Baconian science represented a challenge to the prevailing ideas which combined strict religious determinism with elements of Greek philosophy and science. The Baconian tradition broke with this rigid intellectual perspective to emphasise human reason, scientific method and progress. This element has been used to describe the motivation of early statisticians, that is, the appeal of knowledge and science. An example of the desire to liberate society from superstition is that both John Graunt and the German political arithmetician Kasper Neumann reviewed bills of mortality in order to amongst other things refute popular notions that public health depended on the phases of the moon. Before Graunt's work it was commonly believed that women outnumbered men three to one. It is also clear that Petty was dissatisfied with the contemporary comparative studies

of states, the `Staatsmerkwurdigkeiten', which were predominately impressionistic. Quantification of phenomena could expose myths and (especially demographic statistics) could provide a benchmark with which to compare different states. Three of the most significant political arithmeticians, Graunt, Petty, and Sir Charles Davenant, not only estimated population but also the number of fensible men (those who could be mobilised for war). So whilst political arithmetic concerned itself with dispelling the dark cloak of superstition, pure or abstract science was not the proposed alternative. For political arithmeticians, like the German `Staatsmerk-wurdigkeiten' scholars, their new science was an applied science. This was no less true when a further step forward was made by Swedish population statisticians in the mid-eighteenth century with the censuses under Wargentin.[22]

Further weight is added to the argument of an intellectual driving force to statistics by the scientific revolution of the age. Science was very important to the development of early statistics, indeed, political arithmetic falls within the period of `scientific revolution'.[23] It should be no surprise then that Petty, Graunt, and Edmund Halley were all members of the Royal Society. However this organisation not only gathered together like-minded individuals but also gave some institutional support to political arithmetic. It

was able to give the framework for transmission of ideas. Halley, an astronomer and scientist, compiled a life table from Neumann's review of Breslau bills of deaths and births. He had been influenced by Graunt's book and it was the Royal Society that put him in contact with Neumann's study. The Society was also to communicate the ideas of political arithmetic to the mathematician Leibniz. Leibniz, as a result, was convinced of the need for an official statistical department. The impetus for Swedish population statistics came from the Swedish Academy of Sciences with its first two secretaries, Elvius and Wargentin being the prime movers behind the Swedish censuses.[24]

Political arithmetic was part of a wider scientific revolution which stood in contradiction to existing ideas which it sought to shake off. The struggle between these ideas took place within a context of wider struggles involving all aspects of society. The church was subordinated to the state. The political order was being reorganised to allow a transition away from feudalism to capitalism. In Britain at the time of political arithmetic this process was taking a particularly sharpened form with aftermath of the English Civil War, the terms of the restoration of the monarchy and the Glorious Revolution of 1688. Society was undergoing profound transformation, the economy,

class structure, individuals and ideology were bound up in this upheaval. By and large, the political arithmeticians were removed from older forms of landed wealth, they belonged to an expanding urban classes, doctors, scientists, professors and government officials. They looked to `number, weight and measure' in order to understand their new world.

In Britain, where the political arithmetic was perhaps most developed, there seems to be a loss of impetus as it matured. The next significant statistical movement occurred in the 1830s. This is not to say that in the intervening period that no advance was made, but that this advance was not as significant in motivating or involving individuals as either the period of political arithmetic or the period of the statistical societies, the 1830s. This period was of great importance for the the history of official statistics with the establishment of the census and statistical offices in several countries. Statistics became more widely used. Life tables were used to calculate annuities and pensions on a mathematical basis. Statistics were involved in a controversy over whether English population was increasing or declining, which could only be answered by a state census. The controversy was interesting in that it attempted to evaluate the changes that had occurred since the Glorious Revolution; an

argument that surely reflected the advocacy of and antagonism to change that existed in and between classes in the eighteenth century England. Glass, a historian of British population statistics, identified in this controversy the antagonism between old and new wealth, between the land-owning and the merchant classes.

> *Moreover, whatever the course of population in England in the eighteenth century, the initiation, at least, of the argument of a higher population in the past derived far more from a desire to demonstrate the historical truth of the Bible, a nostalgia for a misconceived and over-glorified antiquity, and a distaste for the growing importance of manufacture and commerce.*[25]

Both the political arithmeticians and those involved in the population controversy responded to real changes in their social environment, respectively civil war and industrial revolution. This has to be a key to our understanding of the reason for statistics being collected. A similar pattern emerged with the statistical societies in the 1830s. With the stagnation of political arithmetic it was not until the development of the statistical movement that another period of public statistical enthusiasm emerged. As with political arithmetic this phenomenon requires further examination as it has been the source of historical interest and scholarship which can throw further light onto statistical development.

In 1833 the Manchester Statistical Society was founded. It was followed by the Statistical Society of London the year after. These exist to the present day. Others were established but failed to survive the initial period of optimism. These are of interest in that they illustrate certain general propositions about the history of statistics. Statistics and statisticians are influenced quite heavily by such factors as generation, ideology and class. These individuals came to realise the limitations imposed on their statistical endeavours. As a result, they looked to the state to organise the collection of statistics by a body of professional statisticians.

Let us start with an analysis of the concerns of the Statistical Societies. David Elesh in his study of the Manchester Statistical Society's first statistical surveys showed their dominant concerns.[26] The Manchester Statistical Society was interested (in order of frequency of research) in education, the condition of the working class, criminality and to a lesser extent vital statistics and religion. As such, they reflected the concerns of the expanding British bourgeoisie of the nineteenth century. This is qualitatively different from the issues that concerned the earlier political arithmeticians who were primarily concerned with vital and medical statistics. However in common with the political arithmeticians the Manchester Statistical

Society applied statistics to the outside world (especially with the view to affecting government policy). Obershall looked at the articles of the London Society's journal to find similar results, public health, economics, population and census, crime, the condition of the poor, and government were the primary topics.[27] The remarkable narrowness of the subjects discussed by the societies shows the degree of homogeneity both within and between the statistical societies. They were linked by a liberal reforming perspective in which the key to transforming the condition of the newly emerging working class and the attendant problem of urban crime (and presumably Chartism and political instability) was education, which could be demonstrated by statistics.

Having identified the `scientific focus' of the statistical societies we can move on to how and by whom they were formed and the link between their social composition and political ideology. There are a number of similarities between the founders of the Manchester and London Societies.

The London Society emerged from the creation of a statistical section of the British Association for the Advancement of Science. Section F was formed under the efforts of Charles Babbage, the inventor of the first

computer. He was influenced by the great Belgian statistician Adolphe Quetelet, who aided in the establishment of the statistical section.[28] The scientific element was present therefore in the inception of the movement both institutionally but also in terms of individuals. However, perhaps more importantly Babbage and his colleagues had a common political background, Whig politics, and for Babbage it was artificial to separate one from the other.[29] It was a political ideology shared to a greater or lesser degree by the others who founded the society.

> *They were far from being a band of intellectual young turks launching an attack on the citadel of orthodoxy. Rather, in broad terms, they came from within that orthodoxy, already, ... men of middle age or older and of high standing in intellectual, particularly Liberal intellectual, circles. The statistical movement began as it was to remain (though definitely less so), a movement of the reforming establishment, Whig to Liberal in politics, non-Benthamite (yet not yet consciously anti-Benthamite).*[30]

Generally, this period of British history was not only characterised by `statistical enthusiasm' to borrow Westergaard's phrase, but also by the great liberal reforms(1831-1846), beginning with the Reform Act and culminating in the repeal of the Corn Law. Within this bourgeois reforming period, a minority looked to statistics as providing a means to influence government. This was almost exclusively the political and class

nature of the statistical movement. Statistical societies' surveys of strikes reflected their hostility to working class struggles and organisation. The middle class was confronted by a new industrial working class which it considered an alien mass with criminal, alcoholic and revolutionary tendencies. As Cullen has pointed out,

> *The aim remained the creation of a virtuous and quiescent working class. Humanitarianism, class interest and statistics made powerful reforming brew.*[31]

The other British statistical societies were a rather fleeting affair, quickly losing impetus after their foundation. The usual pattern being, after a B.A.A.S. meeting, they found statistical work more expensive and time-consuming than they had anticipated. Most proved unable to produce any surveys, all finding enormous difficulties in continuity and maintaining enthusiasm, this being even true for the early years of the London society. This was due by and large to the fact that many were primarily concerned with reform and had other political and business commitments. Elements we noticed before continued, throughout this era specific social and ideological forms accompanied the development of statistics, notably the emergence of new urban middle classes and the extension of the scientific community and scientific values.

This was not only true of the use of statistics in Britain but also elsewhere. In France, the Parisian Chamber of Commerce responded to the revolutions of 1848 with a pioneering statistical survey of industry. It showed their hostility to the worker's demands.[32] The radical *quarant-huitards* argued that the economic structure of society was responsible for the conflict, and that state regulation of unemployment and sub-contracting was the solution. The survey took issue with their case arguing for laissez-faire and family values to dissipate social conflict.

As with political arithmetic the statistical movement had international links through common ideologies of reform and science. This can be seen in the links and influence Adolphe Quetelet had with both the London Statistical Society and the French statisticians such as Louis Villerme, Benoisten de Chateauneuf and Andre Guerry who were involved in the Annals d'Hygiene Publique et Medicine Legale.[33] Again these statisticians attempted to influence government in a reforming direction, embracing similar subjects from a similar class perspective. This was to be repeated again at the turn of the twentieth century, with the British inquiries of Booth, Rowntree and Bowley, but by this time the momentum had decisively shifted towards the state in the collection of statistics and there had

evolved a professional cadre of official statisticians.[34]

In summary therefore we have identified several elements common to statisticians and the conceptualisation of socio-economic statistics in this era. First we notice a shared belief in scientific method. Secondly there is the desire to explain, understand and bring about rational government on the basis of statistical knowledge. Thirdly, statisticians have been associated with specific social class which shaped their work. Finally common to most statisticians is the desire for the state to place a greater emphasis upon the gathering of statistics. These features were characteristically strong due to the amateurism and immaturity of statistics and the enormous transformation that was occurring more generally in society in a period that was after all the transition from rural to urban industrial society. As statistics developed, those engaged in statistics underwent two connected transformations. They lost their amateur status with the growing bureaucratic professionalisation and they also developed a common statistical consciousness.

1.3 Origins of a State Monopoly of Statistics: State-Formation and the Professionalisation of Statistics

Accounts of statistics which centre on individual achievement and intellectual development are inadequate for a further reason; that is they pay too little attention to the role of the state in the rise of statistics. This omission fits with the idealist account of the history of statistics. However, the state is a fundamental element in the statistical revolution. Most histories of statistics tend to either underplay or undertheorise the role of the state. It is important therefore to set out the connection between the different tendencies of state-formation and the development of statistics. State-formation was a complex interaction of mercantilism, absolutism, war and bourgeois revolution.

Mercantilism has been the subject of debate and disagreement between historians.[35] However, we can overcome most of the difficulties involved in the term if we do not extravagantly claim it was an international system in thought and reality, but a real economic tendency in the seventeenth and eighteenth centuries. Coleman set the parameters for a more acceptable understanding of mercantilism,

> *..Much contemporary concern was for the balance of trade; and that state measures to encourage the export and discourage the import of manufactured goods were widespread. Go further and accept van Klaveren's criterion of mercantilist economic policy: "The objective is always the development,*

> *from an agrarian base, of an industrial, commercial and maritime superstructure coupled with an attempt to secure a bigger share of international commerce for one's citizens". Regard may thus be paid to two pervasive mercantilist themes: the belief in a fixed cake of commerce so that one nation's gain is another's loss; and the concern with fostering of activities other than agriculture.*[36]

Mercantilism involved an economic competition which called forth comparison between states. This was reflected in the ethos of the German staatsmerkwurdigkeiten scholars and the political arithmeticians. Indeed, the role of Colbert, the French arch-mercantilist Finance Minister, responsible for giving an impetus to French official statistics is an obvious connection with mercantilism.

> *We may say that in the hands of Colbert, as in the hands of Sully, statistics were the essential instrument with which these two great ministers, 60 years apart and in strikingly analogous circumstances, succeeded in re-establishing order in the public finances and prosperity to the national economy of France.*[37]

However, it is often difficult and would be counter-productive to disentangle the different tendencies to state formation prior to the industrial revolution, absolutism, mercantilism and war. Hence, Glass explained the Austrian census of 1754 as due to a combination of mercantilist thinking and war. The census, which was among the first modern censuses,

> *..in turn, was a response to the effects of the*

> *Turkish Wars and partly to the great influence of mercantilism.*[38]

Indeed, national economic competition complimented military competition. War became a major component of the state's desire to have an accurate sense of its own proportions. War in turn also fed tendencies towards state formation. Hence, in the estimates of population of the political arithmeticians the numbers of men that could be mobilised at times of war was one of the stated aims. It was one of the arguments used in favour of the census when Potter's bill was brought to the House of Commons in 1754.[39] It also accounts for the earliest modern census, the Swedish census of 1749, which was,

> *primarily a response to the mortality and depopulation associated with, or resulting from the Great Northern War (1700-21).*[40]

More generally, we cannot link statistics to state-formation unless we understand that there were intermediary stages before the emergence of the modern bourgeois state. The crisis of feudalism gave rise to varying reactions across Europe. In the East feudalism was intensified. In France and other European states the weakening structures of feudalism were counterbalanced by the absolutist state. In Britain and Netherlands by the Seventeenth Century, a third option of bourgeois revolution punctured the crisis of feudalism.

It is only with the bourgeois revolution that state-formation was consolidated in its modern sense. In this respect, due to its intensity and internationalisation, the French Revolution consolidated this process on a wider European scale.

> *At a comparative and international level, the history of statistics in revolutionary- Napoleonic France is significant because of France's undoubted lead in the field. As in so many other areas, the French example was directly and indirectly influential on the developments in other countries.*[41]

Indeed, Woolf attributed to the revolutionary French state the origin of modern statistics. It is perhaps significant that several of our histories of statistics overlook this period, as their concern is with individuals. In this period, the initiative was very much with a state that sought to consciously monopolise statistics.

> *The origins of modern statistics can be found in revolutionary-Napoleonic France. At the level of mathematical theory it can be objected that statistics, in a recognisable modern form, only begins with later, with Quetelet (although Quetelet's own interest in the field would seem to be linked to later Napoleonic experiences). But in its practical application, statistics and Napoleonic France outgrew political arithmetic and statistical topography to acquire its modern function- the systematic and periodic collection of economic data on economic activities and social problems for the purpose of providing a reliable quantitative basis for policy and public discussion. Under Napoleon, the role of statistics was to reveal the power of the state; in the anti-state reaction of the restoration, its focal point*

> *shifted to the 'discovery' and administration of society. But there was no discontinuity in purpose, nor the assumption by the ruling groups that they had both had the power and the right to collect such information from subordinate members of civil society. In this sense too, as a discourse of power, modern statistics originate in Napoleonic France.*[42]

Even, if we may want to temper Woolf's case for making revolutionary France the birth of modern statistics, it is clear a qualitative break through was made.[43] Despite the defeat of the Napoleonic Armies in 1815 there was no real way which Europe could turn back the clock, statistics included. Indeed the state making process was entrenched and its statistical implications followed suit.

1.4 The Statistical Revolution as an Aspect of the Era of Bourgeois Revolution

The statistical revolution from the political arithmeticians to the statistical societies cannot be explained alone by either the intellectual upheaval or the feats of individuals. We might propose an analysis which links the statistical revolution to the epoch of the European bourgeois revolution. This era began with the Dutch War of Independence, subsiding and rising to the English Civil War, the French Revolution, the European Revolutions of 1848 and German and Italian

Unification. This process generalised a new form of society across the world.

On a number of counts, this thesis is able to explain the explosions of statistical measurement and the increasing centrality of statistics to all aspects of modern society.

Firstly, in terms of the timing and pattern of statistical origins, the political arithmetic emerged in the wake of the English Civil War and the Commonwealth. Statistics is firmly established with the consolidation of capitalism. The technological and material progress enabled modern statistical apparatuses on a scale never before possible. Previous to the statistical revolution scattered examples of enumeration exist, but with its inception statistical methods were systematically employed and periodically upgraded, the statistical output improved in quality and yield.

Secondly, the rise of the bourgeoisie involved the challenging of old ideas, science, culture by new forms. The scientific revolution, the enlightenment, classical economics and statistical thinking were the intellectual shock waves of explosive social conflicts.

Thirdly, class relations can be seen to have acted as a

stimulus to statistical development. Political Arithmetic had its heyday in the turbulent aftermath of the English Civil War, subsiding in the seventeenth century, as Buck pointed out, with the settlement of the large capitalist landlords and the protestant monarchy.[44] The statistical societies emerged during and declined with Chartist and Corn Law agitation; on the continent statistical societies arose in the aftermath of the 1830 revolutions. The bourgeoisie shaped itself during these conflicts, and shaped its own agenda which it attempted to establish by various ideological methods, one of which was statistics. The sociological investigations of the statistical societies, their members and concerns bare this out.[45]

Fourthly, the era of the European bourgeois revolution brought about profound changes in social and economic development. Commodification of production introduced quantification into all aspects of work and consumption. Accounting, insurance, pensions, taxes and the monied economy required elementary figures. The balance of trade and financial statistics needed greater sophistication, ultimately national income itself became quantified. Urbanisation and industrialisation were accompanied by new social problems of a mass character.

Finally, states were required by these new conditions,

modern warfare, centralised state machinery, social policy and democracy, to accelerate the rise of statistics. In particular, the state bureaucracy bore statistics on its back; recasting it in its own image through professionalisation, monopoly and control.

1.5 The Development of Modern Official Statistics

By the turn of the nineteenth century, official statistics were taking off in a whole series of states particularly in Britain, France, Scandinavian countries and the United States. For that reason the relationship between individuals and statistics underwent a dramatic transformation. A growing professionalisation and institutionalisation took place as can be seen with the relationship between the London Statistical Society and the Board of Trade, the American Statistical Society and the American Census. Eastwood identified this relationship developing with the British parliamentary commissions of the Poor Law Amendment and Factory Acts of the 1830s,

> *The collection of annual data which clearly revealed secular trends in social problems added a new dimension to social inquiry, and one which became the stock in trade of reforming commissions of the eighteen-thirties.*[46]

By this time, with the institutionalisation of

statistics, the statistical process became identified with the state. The state gave new substance to and nourished statistics. The efforts of the statistical movement might otherwise have been looked upon by history as meaningless and unsustainable vanities of middle class amateurs. However, with the growth of the state the fulcrum of statistical development shifted.

> *The early development of official statistics was closely related to the process of state formation. The attempts of the absolutist state to mobilise resources for sustaining a standing army and a professional civil service in the context of a mercantilist economic policy, continuously increased the need for statistical information. Later, with the extension of the suffrage and the institutionalisation of mass democracy, government intervention in the economy and society grew even more rapidly, assuming new forms and which in turn required statistical information on new areas in order to detect problems, design improvements, and control their implementation.*[47]

As the state grew so it revolutionised statistics, which in turn revolutionised the state. Woolf made the point about France but this pattern was to repeat itself elsewhere.

> *The repeated demands made on departmental administrations for accurate factual information over the long-run enhanced the level of expertise, led to the elaboration of more sophisticated administrative techniques and prepared the ground for the professionalisation of the bureaucracy. Of course, statistics alone was not responsible for these developments. But it was of the essence of statistical inquiry to present a uniformising, apparently impartial and modernising role to which bureaucrats at all levels were expected to conform. And the importance attributed by government to statistics, particularly in the early and final phases (1798-1804, 1811-14),*

> *confirmed the deepseated expectations of French notables that the state should play the leading role as the motor of change and progress.*[48]

Indeed, the contours of statistical development were transformed by the state in a number of ways as the process of nation state formation became entrenched. The growth and interaction of the state and statistics expressed itself on a number of levels.

First statistics was affected by and affected the professionalisation and growth of a state bureaucracy of experts, Eastwood described this process,

> *Fundamentally, of course, it was information which constituted the currency of expertise, and as information became more specialised and extensive so the experts who would claim intellectual mastery over it became more important to government. Gradually, central government exchanged a partnership with localities for a partnership with experts. And thus, the aristocratic principle in government gave way to the imperialism of the bureaucracy, and with it the flow of information was diverted into channels created by professional administrators.*[49]

Professionalisation and its relation to the state was not restricted to statistics. State-formation played a critical role in the creation and legitimation of the professions. Hence the historical sociology of the professions points to this relationship as key to understanding how certain aspects of the division of labour crystallise out and undergo the process of professionalisation, as was the case with statistics in

the mid-nineteenth century.[50]

Secondly, the institutionalisation of statisticians added to the development of a certain statistical ethos. This statistical consciousness is not uniform, we might characterise it in two variants. Firstly, there is what we have called the statistical utopianism. This permeated Koren's work on the history of statistics and the more extravagant claims of the statistical societies. This statistical utopianism was expressed in startling form by North, particularly as this was written in the year of the Russian Revolution.

> *The world has long been obsessed with the dread of an impending struggle between capital and labour - a titanic conflict involving our entire social system and leading to another French revolution. And lo, the solution is at hand; for the statistician has appeared, and behind him is an educated public opinion, which demands that equity shall be the basis of compromise, and trusts the statistician to prove mathematically where equity lies.*[51]

However, this utopianism still exists, as J.Keane, no less a person than the Director of the US Bureau of Census, showed in 1988,

> *People across nations share bonds of family, friendship, community and knowledge ... Bonding encourages and enhances harmony ... Despite acknowledged countervailing stresses - sometimes severe and protracted - global interdependency among nations increases. Therefore, there is commensurate need for global harmony. Here `global harmony' simply refers to the existence of*

> *essential accord among most nations, most of the time. Statistics can help.*[52]

A more sophisticated version was elaborated in the Declaration of Professional Ethics adopted by the International Statistical Institute in 1985.[53]

> *While statisticians operate within the value system of their societies, they should attempt to uphold their professional integrity without fear or favour ... Science can never be entirely objective, and statistics is no exception ... Even so, the statistician is never free of responsibility to pursue objectivity and to be open about known barriers to this achievement. In particular, statisticians are bound by a professional obligation to resist approaches to data collection, analysis, interpretation and publication that are likely (implicitly or explicitly) to misinform or mislead rather than advance knowledge.*[54]

This consciousness sees statistics as neutral and the production of knowledge as an unambiguous good. It promotes the professional consciousness in statistics, that all statisticians have a common interest. However, the Government Statisticians Collective in Britain pointed out the contradictions that emerge in official statistical production.

> *At the base of both the process and of the hierarchy, subordinate staff perform routine clerical and data processing tasks of many kinds, such as form-filling, coding and card-punching. The end results of their work, in the form of computer output are analysed and interpreted by statisticians, and used by administrators, mandarins and ministers in the department, and in other departments, to develop and justify policies ... By `professionalism' is meant the ethos by which professional workers try to maintain a*

> *certain independence, and standards of competence, accuracy, and integrity within their narrow technical sphere, while carefully abstaining or questioning, or taking responsibility for, the ends to which their skills are used. Statisticians, working in closer contact with the administrators than most other professional staff, retain only an attenuated professional ethos, and partly share the attitudes of the administrators.*[55]

The third level on which the state affected the development of statistics was the unprecedented growth in state expenditure, staff and function. The state evolved in two principals ways, towards the welfare state and state capitalism.[56] The welfare state implied the statistical measurement of the social condition of the population. The tendency to state capitalism reinforced tendencies towards statistical measurement of the national economy, the development of national economic policy with its ultimate expression in Keynesian demand management, nationalised industries and state planning.

Interestingly, the economic orthodoxy which replaced Keynesianism during the 1980s, monetarism, despite its criticism of planning and state intervention, did not represent a backlash against economic statistics. If anything monetarism confirmed tendencies of increasingly sophisticated economic indicators being yardsticks to government policy. Hence various elaborate measures of the money supply from M0 to M4 where adopted by the

Thatcher government to track the volume of money within the economy.[57]

However, increasingly since the Second World War a further development in the pattern of the world economy has imposed itself on the pattern of statistical development, that is the internationalisation of the world economy. Trade, finance, manufacturing, communication networks and firms operate to an increasing extent beyond their former national boundaries. This changing pattern of capitalist development has brought forth an increased internationalisation of statistical measurement as the need to regulate the system transcends frontiers. Hence, post-Second World War we have seen a growth in the number of international official organisations that collect, publish and attempt to regulate statistics of different nation states, United Nations, Eurostat, Comecon, and the International Labour Organisation (both the latter and the League of Nations being inter-war forerunners of this). This has involved increasing co-operation amongst statisticians and attempts to commonly define and harmonise social statistics. It is this that leads Keane to talk of the globalisation of statistics.[58]

This internationalisation in the context of economic crisis is another feature that has countered the tendency there may have been for the withering of statistics with the end of the Keynesian/planning heydays of the post war boom. Vast quantities of data, or warning signals, are judged to be essential in order to regulate threats to economic stability in a world economy in which it is increasing difficult to co-ordinate effective responses (due to internationalisation and the waning of the power of the dollar). Hence the IMF has provided debt rescheduling and macro-economic management plans for countries with large debt burdens in particular in Eastern Europe and Latin America. These conditions make events such as the crash of 1987, currency crises such as the Black Wednesday ERM crisis in September 1992 more likely.

However, some authors have exaggerated the extent of and potential for globalisation, ignoring the continuing significance of the state in the process of capitalist accumulation. Harman replied to those who argue that states are becoming economically redundant in the face of global firms, finance and markets,

> *The trend towards internationalisation is there - but the great majority of manufacturing companies still operate mainly within one national state from which they branch out .... We can say that the state-business relationship does not disappear with multinationalisation. The giant company does not end its links with the state, but rather*

multiplies the number of states - and capitalist networks - to which it is linked. [59]

This tension between the state and international organisations applies to statistics. Neither are about to disappear, indeed, they are mutually reliant. Thus, the international publications, databases and studies of statistics from official bodies, rely in the main for their raw data on nation states. Conversely, in order to compete effectively on world markets states need to be able to assess those markets in internationally comparative terms, they themselves could not necessarily obtain meaningful and comparable information without official international organisations.

1.6 Conclusions on the Modern Statistical Revolution

We set ourselves the task of establishing a historical understanding of the origins and logic of the modern statistical revolution, and the uncontroversial observation that statistics has expanded prolifically the past two centuries.

The literature survey and historical discussion lead us to say three things about the modern statistical revolution. Firstly, we identified two qualitative break-throughs for modern statistics, political arithmetic and the birth of the modern nation-state

(particularly in revolutionary France). Secondly, we identified various connections in the international development of statistics in the realm of the intellectual climate, state-formation (mercantilism, war, absolutism, professionalisation of the bureaucracy), class (liberal reform, social background and attitude of statisticians) and the spread of capitalist relations of production (transformations in the quantification, accounting, and planning of economic activity). Thirdly, we characterised the origins of the statistical revolution as being an aspect of the epoch of European bourgeois revolution.

From that starting point we established the centrality of the role of the state in the production of statistics. However, the expansion of statistics in the nineteenth and twentieth century cannot be explained with reference to the state alone. Understanding the contours of the development of the world economy is essential. In this regard the aspects of statistical measurement multiplied with the widening functions of the state and was accelerated by professionalisation of the state bureaucracy. However, statistics in the course of the twentieth century were no longer limited to the nation state. They assumed an international dimension. Despite, this internationalisation, statistics has retained a seemingly inseverable link with the state.

Therefore statistics, whilst effectively monopolised by the state, are not simply a function of state development, they are also conditioned by wider economic and social development.

The current trends of the economic system do not seem to have diminished the role of statistics with prolonged economic stagnation and crises. Indeed, in a number of senses, statistics are more important than at the height of the vogue for bureaucratic planning and keynesianism. Despite the crisis the statistical revolution continues.

1.H.Gerth and C.Wright Mills (eds.), From Max Weber: Essays in Sociology, Routledge and Kegan Paul, 1967. p.135

2.B.Hindess, The Use of Social Statistics in Sociology: a Critique of Positivism and Ethnomethodology, MacMillan, 1973.

3.Government Statisticians Collective,`How official statistics are produced: the view from the inside' in I.Miles, J.Irvine and J. Evans, Demystifying Social Statistics, Pluto, 1979., p.147

4. Webster's Third New International Dictionary of the English Language, Encyclopaedia Britannica, 1986.

5.M.Zhu,`The earliest statistical tables in China', Journal of Official Statistics, vol.3, no.1, 1987. A.Madansky,`On biblical censuses', Journal of Official Statistics, vol.2, no.4, 1986.

6. M.G.Kendall, `Where shall the history of statistics begin?' in E.S.Pearson and M.G.Kendall, Studies in the History of Statistics and Probability vol.1, Griffen, 1970.

7. E.S.Pearson and M.G.Kendall, op. cit., p.40.

8.E.H.Carr, What is History?, Penguin, 1961. G.S.Jones,`History: the poverty of empiricism', in R.Blackburn (ed.), Ideology in Social Science, Fontana, 1972.

9. J.Koren (ed.), History of Statistics, Franklin, 1918.

10. Major Greenwood,`Medical statistics from Graunt to Farr' in E.S.Pearson and M.G.Kendall, op. cit.

11.H.Westergaard, Contributions to the History of Statistics, Agathon, 1968.

12.V.Hilts, The Statist and the Statistician, Harvard University, 1967.

13.T.S.Kuhn,The Structure of Scientific Revolutions, University of Chicago, 1970. p.2.

14. M.J.Cullen, The Statistical Movement in Early Victorian Britain, Harvester Press, 1975. D.Elesh,`The Manchester Statistical Society' in A.Obershall (ed.), The Establishment of Empirical Sociology, Harper & Row, 1972. Although their interests differ, Elesh is concerned with institutionalisation of social statistics and Cullen more concern with a general history of the

statistical movement, their *perspective* is similarly sociological. In terms of methodology, Elesh provides more empirical evidence for the sociological characteristics whilst Cullen's study is widened to the whole of the statistical movement.

15.M.Shaw and I.Miles, `The social roots of statistical knowledge', in J.Irvine et al, op. cit.

16.F.Engels, speech at Marx's graveside quoted in P.Worsley, Marx and Marxism, Ellis Horwood, 1982.

17.Miles and Shaw, op. cit. p.29

18.G.Therborn, Science, Class and Society, Verso, 1980. p.89.

19.Westergaard, op. cit. p.29 Irvine, op. cit. Pearson and Kendall, op. cit.

20.Graunt was able to draw several conclusions from the raw data. Firstly, the author observed a regularity in social phenomena. Male and female births showed near equality with a slight preponderance of male over female births. He also found that from the figures a relationship between age and mortality rate could be established. Urban and rural death rates were compared to find that mortality was higher in the town than the country. Themes common amongst modern statisticians were discussed. Firstly, Graunt noted the limitations to statistical enquiry, and the unreliability of the bills. The data was collected by Anglican priests so it excluded dissenters. This obviously could not be the basis of scientific investigation. Secondly, Graunt was concerned with the need for the collection of official statistics in a disciplined manner by the state. These themes exist to the present.

21.C.H.Hull(ed.), The Economic Writings of Sir William Petty, together with the `Observations on the Bills of Mortality', more probably by Captain John Graunt, vol.1, Cambridge University Press, 1899, p.244. The preface to Political Arithmetic described the instability and dynamism of Petty's world as he alluded to the Civil War, the Plague, the Chatham naval defeat, the fire of London at the same time as the City's growing wealth and prosperity.

22.E.Hofster,`Wargentin and the Origin of Swedish Population Statistics', Journal of Official Statistics, vol.4, no.3, 1988

23.Kuhn, op. cit.

24.Hofster, op. cit.

25.D.V.Glass, Numbering the People, Saxon House, 1973. p.23-24

26.Elesh, op. cit.

27.A.Obershall, `The sociological study of the history of social research' in ibid.

28.Hilts, op. cit.

29.From 1829 to 1835 he was involved in party politics with the Liberals. He was on William Cavendish's election committee as chairman during the Cambridge election of 1829. He proceeded to attempt selection for parliamentary candidacy on two occasions.

30.Cullen, op. cit., p.81-2 quoted. Elesh, op. cit. A similar picture emerges for the Manchester Statistical Society. In 1839-40 of the 51 (out of 60) members that can be traced 25 were found to be reformers in their activities outside their statistical work. Of those whose political affiliation was known 23 were Whigs and only one was a Tory. As social reformers the society also had links with other reform-minded organisations, the Manchester Society for the Promotion of National Education, the Anti-Corn Law League, and the Manchester Literary and Philosophical Society.

31.Cullen, op. cit. p.137.

32.V.Hilts, op. cit.

33.Hilts, op. cit.

34.J.A.Garraty, Unemployment in History, Harper and Row, 1978.

35.D.Coleman (ed.), Revisions in Mercantilism, Methuen, 1969. E.Hecksher, Mercantilism, Allen & Unwin, 1955. I.Wallerstein, The Modern World-System, 2, Mercantilism and the Consolidation of the European World-Economy, 1600-1750, Academic Press, 1980.The source of confusion of the term mercantilist stems from its use by Adam Smith and other classical economists as a straw man. As a result, an attitude developed that mercantilism was a rigid system. However, mercantilism remains a useful conceptual tool, as the definition used in the text shows, if it is treated as an intermediary tendency from high feudalism to capitalist conquest rather than a distinctive system or stage of development.

36.D.Coleman, op. cit. p.4-5.

37.France in Koren, op. cit. p.249.

38.Glass, op. cit., p.12.

39.ibid.

40.ibid. p.12.

41.J-C.Perrot and S.J.Woolf, State and Statistics in France 1789-1815, Harwood, 1984, p.168

42.ibid., p.165.

43.E.J.Hobsbawm, Age of Revolution, Abacus, 1977. p.73-4
France made its [Europe's] revolutions and gave them their ideas, to the point where the tricolour of some kind became the emblem of virtually every emerging nation, and European (and indeed world) politics between 1789 and 1917 were largely the struggle for the principles of 1789, or the even more incendiary ones of 1793. France provided the vocabulary and the issues of liberal and radical-democratic politics for most of the world. France provided the first great example, the concept and the vocabulary of nationalism. France provided the codes of law, the model of scientific and technical organisation, the metric system of measurement for most countries. The ideology of the modern world first penetrated ancient civilisations which had hitherto resisted European ideas through French influence. This was the work of the French revolution.

44.P.Buck,`Seventeenth century political arithmetic: civil strife and vital statistics', Isis, vol.68, 1977.

45.Elesh, op. cit. Cullen, op. cit.

46.D.Eastwood,`Amplifying the province of the legislature', Historical Research, vol.62 October 1989

47.P.Flora, `Quantitative Historical Sociology', Current Sociology, vol.23, no.2, 1975. p.114

48.Woolf, op. cit., p.167.

49.Eastwood, op. cit.

50.K.MacDonald and G.Ritzer,`The sociology of the professions: dead or alive', Work and Occupations, vol. 15, no.3, August 1988. A.S.Fielding and D.Portwood, `Professions and the state towards a typology of bureaucratic professions', Sociological Review, no.28, 1980. T.J.Johnson, Professions and Power, MacMillan,

1972.

51.S.N.North, Seventy five years of progress in statistics' in Koren, op. cit., p.40

52.J.G.Keane, `Some perspectives on global relations through statistics', Journal of Official Statistics, vol.4, no.1, 1988.

53.R.Jowell, `The codification of statistical ethics', Journal of Official Statistics, vol.2, no.3, 1986.

54.ibid.

55.Government Statisticians Collective, op. cit. p.137-8

56.A.Maddison, `Origins and impact of the welfare state 1883-1983', Banca Nazionale del Lavoro Quarterly Review, no.148, March 1984. For the rise in state expenditure as a percentage of GNP see p.57.C.Harman,`State and capitalism today', International Socialism Journal, vol.2, no.51, Summer, 1991. For an explanation of the relation between the state and capital. C.Harman, Explaining the Crisis, Bookmarks, 1984. Explains the rising tendency of the state to involve itself in the economy.

57.Keane, op. cit.

58.This was however abandoned by the government after repeated attempts to achieve the money supply targets had failed, in favour of `shadowing the deutschmark' under Nigel Lawson.

59.C.Harman,`State and capitalism today', International Socialism Journal, vol.2, no.51, Summer, 1991.

Chapter Two: The Origins and Development of Unemployment

This chapter deals with the development and origins of unemployment. The timing and causes of unemployment can shed light onto the process of development or the logic of unemployment. The origins of unemployment are found to be rooted in the development of industrial capitalism with the generalisation of wage labour, the increasing division of labour and the cyclical pattern of accumulation. Where the pattern of unemployment is concerned, particular attention needs to be paid to the role of women. Secondly, we aim to investigate the ideological aspect to the construction of the idea of unemployment and the paradox of the late conceptualisation of unemployment. Thirdly, state intervention into the labour market is considered as its role is fundamental to the social construction of unemployment. These issues, the economic and social origin of unemployment, it's ideology and the role of the state within its development, are considered in order to proceed to the next stage of our study, an attempt to apply this theoretical framework to contemporary Western Europe.

The labour process underwent a series of crucial changes

in the making of industrial capitalism. The predominant form of labour became waged work. Even though this form of labour relation had existed from antiquity it acquired an increasingly important role from the seventeenth century within Western Europe. Here, wage labour outstripped agricultural small holding and urban self-employment. Consequently, today the labour market is conventionally divided into three categories inactive, employed, and unemployed, *categories corresponding to generalised wage-labour.* These categories are presented as objective universal criteria and, implicitly at least, as timeless categories.[1]

But unemployment in particular has neither existed forever, nor is it an universally applicable and unambiguous category. We cannot therefore take the history of unemployment for granted. Indeed, the historical construction of unemployment is dialectically linked to the statistical process in the `invention' of measured unemployment.

2.1 The Historical Development of Unemployment

Most histories of unemployment agree that unemployment as we know it today arose out of the emergence of industrial capitalism.[2] However, a simple acceptance of

this notion would skip an important part in the process of understanding unemployment. Unemployment was linked to the development of modern wage labour. Feudal and slave relations of production became eclipsed by wage labour with the rise of capitalism. It is the characteristics of generalised wage labour which gave rise unemployment. However, the existence of wage labour itself is not sufficient to explain unemployment, therefore we need to consider the case of pre-industrial wage-labour. It was the particular manner in which wage-labour under industrial capitalism separated work from non-work which was crucial to the emergence of unemployment. In the 1960s social historians scrutinised this separation. As E.P. Thompson described it, time was no longer one's own with the expansion of wage-labour. Work evolved from being task-oriented to time-oriented and time-disciplined. This defined the boundaries of work and non-work in a manner that never previously existed.[3] The point was also made by K.Thomas in his study of work and leisure in pre-industrial societies.

> *Here the distinction between work and leisure is not one which is easy to draw. Life in such a world follows a pre-determined pattern in which work and non-work are inextricably confused ..... Work is not regulated by the clock, but by the requirements of the task. It seems there are a number of respects in which the agrarian life of medieval Western Europe continued to display some of these more primitive features. The close relationship between the agricultural cycle and the liturgical year, with its blessings and processions shows the association between technique and ritual was still very close, just as do the ceremonies of the craft guild with their*

> *oaths and initiations. Work was still discontinuous, for the agrarian year was punctuated by the feasts of the church and, for climatic reasons, virtually all medieval industries had a seasonal character.*[4]

However wage labour did precede industrial capitalism and so too did a social layer that lacked work. This layer widened between 1500-1800 with urbanisation and the social dislocations caused by wars, plagues, enclosure and famines. The social layer without work was of an indeterminate character as historians of the period concur. For a number of reasons this layer could not be quantified or neatly pigeon-holed into modern labour market categories. K.Snell identified the problem in his study of seasonal `unemployment' in agriculture in Britain between 1690 and 1860. The dilemma for historians is that the lack of waged work did affect labourers' lives but clearly defined unemployment had not emerged.

> *Historians working on the changes in the standard of living and real wage trends have acknowledged the importance and intractability of the problem of the changing level of unemployment. Questions relating to the extent, regionality , and changes over time of yearly or seasonal unemployment have almost invariably been seen as unanswerable.*[5]

This presents us with a fundamental conceptual problem - how is it that wage labour was transformed with the rise of capitalism ? Or, what are the characteristics of unemployment that distinguish it from other forms of

non-work?

Contemporary thought in pre-industrial societies considered that there was work for all those that sought it. But begging became widespread. From the seventeenth to nineteenth century the workhouse and physical punishment of able-bodied paupers was the growing response of municipal authorities in much of Western Europe. However, difficulties did exist in distinguishing for the purposes of the Poor Law between the deserving and the undeserving poor.

> *It has been estimated that in the sixteenth, seventeenth and for most of the eighteenth centuries the labouring poor made up at least 50 to 60 percent of the total population, and, at various times and places, the proportion could rise three quarters. The really poor, those more or less permanently on relief and so below the status of the wage-earner, constituted at any one time between a quarter and a third of the population. But it has to be emphasised that in practice the distinction between the independent labourer and the dependent pauper was never firm.*[6]

Also, the evolution of wage-labour played a leading role in the prologue to unemployment. Wage-labour itself changed its character with the rise of industrial capitalism. However the internal nature of wage-labour was transformed over the centuries. Thus Perroy in his study of wage-labour in the middle ages in France, noted three features of wage labour then which were to be eroded over time.[7]

Firstly, the wage itself often constituted only part of the remuneration by the employer, other aspects of payment might include lodging, food, wine, or payment in kind. Secondly, wage-labour was mainly of seasonal character and restricted to certain trades, such as construction or grape-picking. Thirdly, the wage-labourer was an elusive figure to the historian of the middle ages. Indeed, most wage-labourers also combined wage-labour with other forms of economic activity. Hence, Perroy concluded his study by connecting the three aspects of pre-modern wage-labour thus,

> *Even granted that all these wages had a low purchasing value, we must not conclude that their earners led a miserable life... Material accounts tell us of the considerable amount of meat bought to feed the harvesters, and that was no doubt washed down with gallons of free wine. Besides none of these workers were regular wage earners and it would be a mistake to multiply their daily pay by the approximate number of working days in order to obtain the yearly earnings of agricultural labourers.*[8]

Braudel made a similar point about early wage-labour and its relation to `unemployment' which is indeterminate because of the partial nature of money wages and interconnection of work, non-work, leisure and the routine of life.

> *The sources of wage movements are not as easy to analyse, nor as helpful as those for prices. The data for wages are not always to be trusted. Even more, it is hard to separate money wages clearly*

> *from wages which are more than half lost in the barter economy. Few wages were paid completely in money.... Although wage rates were known, the number of days worked - and so the level of unemployment - is not. The change from the routine of life under the pre-industrial economies to the machine age regularly created difficult problems of adaptation, just because the regular notion of work was unknown or almost unknown up to that time, as well as the lack of work and public holidays, we have to take into account unemployment because of the economic situation or because of the whims of the worker himself; or in more precise terms; the backward bending supply curve of labour.*[9]

Custom not the working day governed the division between work and non-work. Festivals, *saint lundi* (long weekends), and workers choosing more leisure as wages increased, all confound our attempts to apply the modern concept of unemployment to wage-labour in pre-industrial society.

The impact of the protracted crisis of feudalism (in particular during the fifteenth and seventeenth centuries) led to an uneven and complex pattern of social relations of production across Europe. The social structure of the seventeenth century was still dominated by the countryside. However, Europe was no longer divided into serfs and feudal lords. Goodman and Honeyman summed up some of the complexity and distinctions that were bequeathed by feudalism,

> *France is the country of the peasant and seigneur; England of the tenant and absentee landlord; Holland of the independent farmer; southern Italy*

of the sharecropper and Prussia of the serf and feudal lord.[10]

Different areas of Europe had experienced different reactions to the crisis. Absolutism, or an intensification of feudalism (the `second serfdom' as it is sometimes called) or bourgeois revolution resulted from the positions, strategies and struggles of various classes throughout Europe. This affected the degree of commodification that took place within economic life. Kriedte described the resulting uneveness that emerged.

> *There emerged a process of capitalist commercialisation. It took the form either of peasant capitalism, like Holland, or of large scale landowners capitalism, like in England. As a consequence, the feudal mode of production began to disintegrate. East-Central and Eastern Europe, on the other hand, moved in the opposite direction. There the refeudalisation of agrarian structures prevented the emergence of agrarian capitalism. It was only the agrarian reforms of the late eighteenth and nineteenth centuries which created the preconditions of what we might call the `Prussian' variant on the path towards capitalism in the countryside. Its basis was the large-scale agricultural enterprise which evolved from the Vorwerk system.*[11]

It was from this starting point that industry and wage labour developed. The second point is that industry and market relations did not immediately give rise to wage-labour as we would recognise it today, or, for that matter unemployment. Indeed, cities had grown in the middle ages and trade and industry did develop through guild production. The rigid hold of the guild systems

weakened over time but their existence might explain the reason for the dynamic of industrialisation from around 1600-1800 principally coming from the countryside. It was the combination of putting out systems, cheap underutilised labour, and growth in population that gave rise to rural industrialisation across Europe, in particular Western Europe. So wage labour and market relations not only developed in the countryside as well as the towns but so too did they in agriculture as well as industry. Kriedte explained how the two processes fed into each other.

> *The more the process of specialisation advanced, the more the people who were captured by this process were under pressure to become dependent on the market. The more these same people were under pressure to concentrate their labour effort on production for a market, the less they were able to avoid covering a growing percentage of their needs through purchases on the market. The market principle asserted itself; the markets expanded.*[12]

In the course of the slow development of markets and the rise of capitalism, the nature of wage-labour was transformed as was the role it played in society. The partial nature of wage labour was gradually widened and in doing so it passed through various hybrid and transitory forms. I.Blanchard charted this process in relation to the mining industry in England from 1400-1600.[13] At the beginning of this period the wage-labourer (the `professional miner') was marginal and the `farmer-miner' dominated. By the Elizabethan age the

wage-labourer was in the ascendancy, the process was mediated by the hybrid, the `cottar miner'. By this time, the farmer-miners had withered in numbers. Kumar noted the advanced nature of British wage labour early in the process of European capitalist development.

> *Certainly, there is no question that wage labour was the predominant form of labour in the seventeenth and eighteenth century in England... Most workers, moreover, were dependent on wages for the essential part of their subsistence ... But we do nothing for the understanding of unemployment today by resurrecting the old sociological myth of a pre-industrial subsistence economy of self-employed peasants and craftsmen - at least for England.*[14]

This process was mirrored in the development of proto-industrialisation where aspects of wage-labour combined with features of craft production and pre-capitalist forms. Braverman focused on the role of the labour process in the development of capitalism, according to him,

> *The early domestic and subcontracting systems represented a transitional form, a phase during which the capitalist had not yet assumed the essential function of management in industrial capitalism, control over the labour process; for this reason it was incompatible with the overall development of capitalist production, and survives only in specialised instances.*[15]

Proto-industrialisation had become widespread from 1650. It had spurred capitalist development in three senses. Firstly, it had expanded the numbers of propertyless

wage earners. Secondly, it had added to demographic pressures as work was put out to family units of production. Thirdly, although units of production were small capital accumulation did take place. Proto-industrialisation was therefore responsible for the industrialisation of the European countryside.

As time progressed the dependence upon wage labour increased not only in the towns but also in agriculture. However, important aspects of this still distinguished it from the modern proletariat. The most significant was that the mass of wage labour was based in the countryside. Again the complete erosion of the characteristics that Perroy described of wage labour in the late middle ages had not yet been achieved. Hence by the seventeenth and eighteenth centuries many families still combined agricultural and industrial waged work and small holding, piece rates were commonplace, the radical separation of town and countryside, work and non-work, and working and non-working populations had not taken place. This led De Vries to talk of a massive `near proletariat' in Europe.

> *In the social stratification attained by the end of the ancien regime both the guild system and the peasant agricultural sector have expelled vast numbers of people to call into being a large propertyless (and nearly propertyless) class.... There are, after all, very poor artisans and marginal farmers. Indeed, a clear demarcation cannot be reasonably be made between marginal*

> *farmers and proletarians: hence,... the "near proletariat".*[16]

Hence this near proletariat was by the time of the industrial revolution widespread throughout Western Europe and was key to the subsequent expansion of the cities.

> *The rural proletariat was also very large: about 40% of the French agricultural population at the end of the eighteenth century, with a higher proportion in England, and a higher proportion still in the lowlands of Northern, Central and Eastern Europe.*[17]

This rural near proletariat as we have noted still had not assumed the characteristics of wage-labour under modern capitalism. Its urban counterpart too had swelled in numbers.

> *A proletariat already had existed before the industrial revolution. The body of dependent artisans or journeymen in the towns had already constituted a part of the working population in many cases a large one. The number of wage earners in Paris in 1791 has been estimated at 75,000, i.e. around 280,000 to 300,000 if we were to include their wives and children - half the town.*[18]

However, like those working for wages in the countryside, the urban poor had decisively taken on the characteristics of future generations of wage labourers, dependent on work outside the home, on an employer for tools and income, separated from the countryside, with

its opportunities for petty commercial activity and family production. The development of the urban and rural near proletariat also laid the foundations for the rapid transition to a modern proletariat.

Therefore, the social relations bequeathed by the ancien regime to industrial capitalism were contradictory. Patterns of landownership and wage-labour differed from one region to the next, and underwent different stages of development. A confusing picture emerged of trends and counter-trends with rural industrialisation, proletarisation of the countryside, urbanisation of population and industry, rural deindustrialisation, peasantisation of the countryside.

However by the nineteenth century, two of the principal components we have established for the emergence of modern wage labour were flourishing, urbanisation and the factory. It is these features rather than technological advance or industrialisation which characterised the industrial revolution. The `industrial revolution' has to be understood in this light. It was a qualitative change, but not from agricultural to industrial society. Charles Tilly explained its significance,

> *The phrase the industrial revolution gives a misleading account of what changed. The account is*

> *misleading because it emphasises technological changes, and draws attention away from the redeployment of capital. Nevertheless, the dramatic words signal that something drastic did happen in Europe during the nineteenth century. What was it?.... These changes amounted to an "implosion" of industrial production into cities, and its radical separation from agriculture.*[19]

Proto-industrial stages of the merchant capitalist putting out to the spinner and the handloom weaver was replaced by factory production by the industrial capitalist.[20]

Indeed, the `industrial revolution' combined rural deindustrialisation and the urbanisation of industry. This contradiction led to a new complexity of social relations. The factory itself did not dominate industrial production in Europe until the late nineteenth century.

> *Yet the move to factory production was less universal than it is commonly held to have been. In some industrial sectors and (especially) in some regions, home work, often part-time (i.e. as an extra to farming) continued to exist and has survived down to the present day.*[21]

The process of urbanisation again added to this uneveness, as is implied in the last quotation. The industrial revolution, in other words the urbanisation of industry, was of a partial character even if it was a Europe-wide phenomenon.

> *Inevitably this process of urbanisation was uneven. By the twentieth century 77% of the population of the UK, 56.1% of Germany, 41% of France, 40.5% of the Netherlands but only 22% of Switzerland and 21.5% of the population of Sweden were urbanised.*[22]

Wage labour in the context of greater accumulations of capital required, and developed over time, control over the labour process by the employer. In the long run, as its suitability for a higher level of productivity and division of labour became clear, the modern workplace undermined the putting out and subcontracting systems. Despite this, the persistence of putting out should not be ignored.[23]

The factory revolutionised the nature of wage labour. Task-orientation was broken by time-discipline. This was not immediately achieved and took considerable efforts on the part of employers. The early factories, as Pollard described them, were characterised by a struggle to recruit a stable workforce, to impose intensive effort over the course of the working day through supervision, to achieve good attendance and punctuality.[24]

The construction of unemployment as a specific labour market state therefore arose not as a consequence of the development of capitalism in general but as a result of

the particular development of industrial capitalism. What gave rise to the phenomenon ?

Essentially there are three sources of unemployment. A number of features of the economy of the nineteenth century in the industrially advanced nations gave rise to the existence of the distinctive phenomenon of modern unemployment.

The first factor was the increasing division of labour. This was happening on a global scale, certain areas of the world were transformed into producers of raw materials such as the Southern States of America, India, Africa others into the `workshops of the world'. It is in those areas that were advancing industrially that unemployment emerged.

Domestically, the increasingly narrow division of labour cut work options. In earlier times people could find several sources of work, consumption or income in agricultural or commercial activities. M.Poire described the way in which a wider base of economic activities prevented or disguised unemployment.

> *In agriculture and in a variety of different family enterprises in industry and commerce, market and household activities were so intermingled that the line between them was difficult to draw and adjustments to the variations in economic conditions were made*

> *through changes in the distribution of time between various tasks....In rural areas and small towns, workers frequently moved back and forth between their own farms and industrial employment in small enterprises with an ease and frequency that also escaped conventional measures of unemployment.*[25]

The new methods that replaced them also signified a more rapid adoption of new technology, one consequence of which is the elimination of certain trades or skills due to mechanisation, one early example of this is the fate of the handloom weavers in Lancashire.[26]

The second was the cyclical pattern of capitalist accumulation which has been endemic to the world economy since about the middle of the nineteenth century. Previous to this the agricultural sector dominated the local economies, a poor harvest would rise food prices and thus reduce demand for manufactured goods. As a general rule, it was the harvest that dominated the character of business fluctuations. Wallerstein described the situation up to the industrial revolution thus,

> *Unlike the period after the industrial revolution, fixed capital played a small role in the industrial economy and hence fluctuations in the national economy were not caused by excess capacity nor were they intensified by fluctuations of a capital goods industry. Fluctuations of credit also were less of a factor than later. Hence the prosperity of the home market was largely a function of harvest fluctuations (induced by climatic variations) and overseas*

demand which was frequently the strategic determinants of alterations in internal activity.[27]

From the mid-nineteenth century, the world economy developed a tendency to synchronise different parts of the globe along the lines of the business cycle.[28] 1847 and 1873 there were slumps general to the world economy. Periodic over-production, characteristic of the boom recession cycle, is the major source of unemployment.

The final institution that has been posited as fundamental to the character of modern unemployment is the large firm. Integral to this, Salais et al identify the work contract as an important element in the institutionalisation of unemployment as it formalised the work relationship clarifying the link between employer and employee or the severance of that link. This not only seems to be confirmed by the fact that unemployment hit Germany and the United States the hardest in the Depression of the thirties but also Salais subjected French unemployment data to detailed examination and found that there was a strong correlation between areas dominated by bigger firms and unemployment and a correlation between urbanisation and unemployment.

We understand why the number of homeworkers hardly fell between 1931 and 1936 and why the workforces of small establishments fell less than those of

> *large establishments in the same period. Fluctuations in the volume of work are more widely externalised as unemployment in large firms, translated as a more significant break between the employer and worker.*[29]

Concentration has been a fact of life in industrially advanced countries for some time. In France, for example, in 1987 the top four companies account for more than 90 % in the following industries coal, solid minerals and coke, electricity, gas, tobacco, synthetic and man-made fibres, steel.[30] In Britain the share of the hundred largest firms in manufacturing output had moved from 16% in 1909 to 46% in 1970.[31]

The way in which this new division of labour came into effect has to be dealt with sensitively. The degree to which employment became dominated by Taylorism and the modern firm took place at different speeds between regions and industries. As this question is dealt with by Braverman, for example, we could be forgiven for believing that the forward march of Taylorism and the giant monopoly corporation was to inevitably spread to all branches of industry in all industrial countries, as the sole logic of modern capitalism. Reality is more complex. Even at the height of the so-called fordist phase there was an interconnection between those tendencies associated with fordism and other seemingly contradictory phenomena.

Firstly, this complexity operated between industries. Many economic activities were unsuited to concentrations of labour and capital: hairdressing, window cleaning and other personal services are a simple example. Secondly there are the cases were industries combined old systems of employment with new. Construction has always been dependent to a large extent on subcontracted labour. The garments industry, in terms of its concentrations of labour, has altered very little in the last century, it could be argued that apart from the retail and distribution activities it has more in common with the putting out system or family working than the fordist mode of employment.

> *At the beginning of the century in France the average size of a production unit in the garment industry was 6 workers. Forty years later, according to the population census of 1946, the majority of the garment plants in the Parisian area employed fewer than five persons, most of them one or two only. There was a high proportion of plants for which the number of employed persons was not indicated and Klatzman associated it with reliance on homeworkers in this industry....The average plant size is in Paris is now 9.8 workers. Other studies show a that the tendency is more towards dispersion and the creation of many small units than towards concentration.*[32]

However other forms, which slowed the emergence of unemployment (craft work, putting out and homework and the extended family) were eroded. Various studies have been made of hybrid forms of social production or

organisation of labour which delayed or disguised unemployed. One example was the tramping traditions of groups of artisans who would collectively subsidise the search for work.[33] Another was the `penny capitalism' of many working class families. Penny capitalism signifies petty commercial, service and manufacturing activities undertaken in the black economy.

> *Part-time penny capitalism was essentially defensive. It was one of the strategies adopted by working people to meet the immediate financial needs and cope with persistent, nagging poverty brought about by under- employment ... Consequently part-time penny capitalism was always most common amongst the most disadvantaged. Like petty crime, with which it is most often linked, it was typically the resort of women and children, the casually employed and the unskilled.*[34]

It would certainly be nonsense to argue that the modern corporation and Taylorism didn't emerge as one of the most powerful tendencies shaping the labour market transforming even the newest and seemingly indivisible work processes such as computing but it has to be realised that even before we enter the crisis of seventies that there are substantial limitations constraining it due ultimately to the diversity of the labour process.

2.2 Women, the family and the development of modern wage-labour

Modern categories of economic activity have shown to be inadequate in explaining the long run development of the relation of individuals to production. Essentially, they reflect the form of society within which they were constructed, that is, advanced capitalist society. However, another aspect which should be considered is gender. The question of gender poses particular problems to modern labour market categories and their quantification.

Social relations of production contributed to the complexity of the origins of unemployment. We have demonstrated this by the previous section. From this starting point we can derive methodological insight in our approach to the case studies in the measurement of unemployment. We now know that the complexity of social relations across Europe was likely to give rise to unemployment more slowly or rapidly in some areas than others.

However, this alone is unable to account for the totality of the experience of unemployment. Connected to the social relations of production are the social

relations of reproduction, or the role of women and the family. Generations of historians have approached the question of the family and the industrial revolution, and there is by no means a consensus. However, a discussion is necessary of the role of wage-labour, economic activity and women to understand unemployment from the point of view of the dominant form of interpersonal relationships under capitalism: the family.

Discussion of participation rates in the transition to industrial capitalism, has centred especially on the changing economic position of women, and to a lesser extent children. There are two hypotheses what we might call a `U' and `J' hypothesis. The first argued that women were heavily involved in production before the transition and as a result of it were displaced from the economy, only to recover a significant level of economic participation by the middle decades of the twentieth century. The second hypothesis argued that industrialisation opened up employment opportunities for women from the earliest times of protoindustrialisation and factory employment and that industrial society in the long term draws a greater and greater proportion of women into the economic participation.

Without a clear definition of economic activity, or

without clarity about the issues raised by the problem of its definition, the door is opened to confusion. Conventional measures of activity centre on the notion of wage earning market activities. This presents difficulties when we consider the level of activity in the industrial revolution.

Firstly, some non-market activities are not quantified or considered as part of activity; others are. Millions were engaged in subsistence agriculture nobody suggests that these should be considered economically inactive yet women engaged in household activities in the informal economy, washing, child-minding, clothes making and nursing are often ignored. Activity rate hypotheses should be aware of the question of non-market activities, to what extent was the labour of women and children necessary for production and the reproduction of labour power.

> *In the transition of the pre-industrial economy to the world of the mid-twentieth century, women have been an inconstant proportion, a markedly variable component within the total labour force. This proposition, of course relates to the labour force as conventionally defined-that is the income earning part of the population.*[35]

Secondly, the transition to industrial capitalism involved intermediate relations other than wage-labour. The role of women and the family within these intermediary stages should not be ignored. Often the family

was the organising principle of work, in guild production, peasant small holding, cottage industry and some commercial activity, such as shop-keeping. In cottage industry wages could be paid as piece rates to heads of households rather than as wages to individual workers. This was sometimes repeated in the factory or mine, where wages would be paid to the man who would be expected to engage members of his family.[36]

Therefore our notions of long term activity rate evolution are contingent on definitional criteria. The danger is that we apply our notions of present economic activity into the past. Comparisons between the activity rate evolution of Britain of this era and the developing world of today should strike warning bells. By modern criteria, it is almost unquestionable that activity rates developed in line with the J-hypothesis. This is little more than self-fulfilling prophesy. If our criterion of activity is wage labour it is obvious that industrialisation brought an activity rate that progressively gathered pace throughout the eighteenth and nineteenth centuries. In this case, we cannot pretend that like is being compared with like. The relation of labour to land and capital, the sexual and age division of labour, the intensity of work define the specific historical contexts within which economic activity takes place. Distinctions need to be drawn

between factory production, domestic manufacturing, feudalism, and independent farming.

Our contention is not that a long term thesis of increasing activity is not valid but it has to have a strong theoretical grounding. A major problem emerges in terms of regional diversity and commonalty in these transformations. The uneveness is apparent across Europe both in the pace of development but also in the localised combinations of contexts of production.

This theoretical perspective is outlined in Figure 2.1 which classifies women's work according to relation to the market, wage and mode of production. It demonstrates that various forms of work were significant at differed over time in activity classification and in intensity, discipline and non-work.

Table 2.1: Women and Economic Activity Categorisation

Mode of work	Period	Typical occupations	Characteristics of activity
Industrial wage labour	1820-1900	Textiles, food-processing	unemployment
	1900-1930	+Clerical,teacher,nurse	external discipline of work
	1930-1950	+Electrical,consumer durables,light engineering	
	1950-90	+local government, civil service	work outside home
Agricultural wage labour	1700-1860		seasonality underemployment
Proto-ind.	1700-1860	Textiles, hand metal trades	cyclical underemployment
	1900-1990	homeworking	
Non-wage market activity		child minding, laundry work cleaning, clothes mending, taking in lodgers, baking, brewing, prostitution	irregular
Non-wage non-market activity		childrearing, housewivery	variable age, form of family
	<1650	subsistence agricultural work	constant but low productivity

a) Women, the family and the agricultural economy.

In order to understand the evolution of women's work we shall break down the period of transition to industrial capitalism into agricultural, proto-industrial, and industrialised forms. Some historians argue that there was a rigid division of labour between the sexes before industrial capitalism. Shorter argued this point using evidence from seventeenth and eighteenth century France and Germany.[37] The women were prescribed a series of tasks which were entirely their domain. This, in his example of a Basque woman, comprised of childrearing, cooking, cleaning, household accounts, wood gleaning, cottage industrial work, water-carrying, poultry, larding hay-tossing and weeding. It was only at harvest that partially broke down the segregation of tasks. Unlike Shorter, Hudson and Lee distinguished between different forms of ownership of the land. For Shorter there was no distinction made or acknowledged between feudal, subsistence and commercial land use. Hudson and Lee argued that the spread of commercial farming and agricultural labouring brought about a division of labour, but one that was far from as rigid as in Shorter's account.

> *There were close links between non-market gender roles and those which emerged with the development of commercial farming, but commercialisation also produced patterns of restructuring of the sex-specific division of labour which varied from one*

> *region to another depending on the sorts of commercial crops, labour supply conditions and the availability of alternative work for women and for men. In medieval times the sexual division of labour in agriculture remained very flexible, partly because the prevalence of peasant landholding precluded extensive occupational specialisation among the mass of the labouring population.*[38]

Indeed Richards, again was of the opinion that the sexual division of labour was not as strict as otherwise thought.[39]

Historians also disagree over the intensity of work. Many historians are of the view that this period involved very high participation rate of the population as a whole, men, women and children.

> *Nevertheless high participation rates for women (and indeed for children) in virtually all aspects of the economy may be the general characteristics of the underdeveloped, labour intensive, agriculture-dominated economy before about 1750....It could hardly have been otherwise in an economy where in Stuart England between a quarter and a half of the active population were chronically below what contemporaries regarded as the official poverty line.*[40]

Shorter agreed with this hypothesis. Subsistence as a fact of life compelled all hands into activity. However, Cunningham surveying reports from poor law commissioners, parishes, charity schools and schools of industry in Britain concluded that there was widespread underemployment of children. Opportunities that did

exist seemed to come from the emergence of cottage and factory manufacturing.

> *As to agriculture, the evidence amounts to little more than plausible but undocumented references to scare-crowing and other tasks of a like kind, suggested that the employment of children was at most casual and intermittent; and this is confirmed by analysis of age of leaving home.*[41]

The probability of widespread rural underemployment in the eighteenth century Europe undermines the notion of naturally high participation rates. Domestic industry began to offer opportunities for wage earning employment.

b) proto-industrialisation.

Proto-industrialisation had a profound effect on the economy which was dominated by agriculture; it paved the way for industrial domination. At its height it is estimated that employment in domestic industry accounted for a third of the rural population of Germany and France. It brought about radical changes in the employment and the extent of wage-earning. Opportunities opened up particularly for women and children as the wages were generally low. It soaked up rural under-employment. The composition in the active population changed as did the sexual division of labour. In some areas it meant localised very high participation rates

for women. Lace-making in Bedfordshire, linen in Flanders or cotton-spinning in Auffay produced very high activity rates for women by the late eighteenth century. The ratio of female to male in the workforce might be as much as eight to one. Shorter noted that in the weaving villages of the Zurich uplands labour became non-gender specific, Hudson and Lee use the example of women cutlers and nailmakers in Germany to say very much the same thing. In Russia, extensive proto-industrialisation took place without any such changes in gender relations. Domestic industry was eventually superseded by factory production. However, the danger is that this process is telescoped. Although domestic industry was probably at its height in the 1830s it persisted in some industries up to the turn of the century.

> *Given sectorial lags in mechanisation and the application of new technology, the dynamic of capitalist development in the nineteenth century tended to generate an increased emphasis on cheap production methods in the form of domestic outwork. Regions which were characterised by a rapid development of consumer goods industries dependent on non-mechanised, non-factory labour, as well as those where men's wages low (as in the eastern counties of England) or irregular (as in the case of dock-related employment), witnessed a dramatic rise in female domestic production. The number of women employed in this area was substantial, and always much higher than the official records indicate.*[42]

Despite accepted wisdom, the proto-industrial economy ultimately didn't disappear but collapsed into `modern' homeworking and sweated labour.

> *In the period before the First World War homeworking was the subject of public investigation and legislation in the United States, in Britain and several countries in Western Europe. But then it became virtually invisible until the 1970s. Even now its existence is usually denied or ignored.*[43]

It retains a number of characteristics in common with its predecessor. It often doesn't involve the formal wage relation, as it relies on piece rates or unpaid family labour. Such industries evade the regulatory legislation (social security contributions, trade union rights, and health and safety standards) applied to the modern industry.

> *The invisibility of homework was, and continued to be, constructed partly by the methods of collecting statistical data used by official bodies. Their methods of recording and measuring statistical economic activity not only allow but give credence to the belief that homeworking, if it exists at all, is an activity peripheral to the modern industrial economy....This lack of statistical records is one of the symptoms of the dominant ideological constructions of work and production relations found on the common-sense level and in the major theories of economics and sociology.*[44]

c) industrialisation.

Industrialisation brought contradictory pressures to bear upon women's activity. Certain industries attracted female labour such as the new textile factories. As

industrialisation gathered place industries tended to rely on mainly male workforces. Secondly, industrialisation put pressure on domestic industries reducing opportunities for female employment in the hand trades. In Britain, factory legislation was introduced to exclude women from certain industries. The rise of craft unionism guarded certain trades as a male preserve not to be `diluted' by lower paid female workers or other unskilled workers. The decline of women in the process of industrialisation was ineffectively counterbalanced by growth in domestic service. Richards argued that the growth in domestic service can be explained mainly in terms of the narrowing of other employment opportunities especially in agriculture and domestic industry.[45] The new sexual division of labour was reflected in ideological terms by the Victorian cult of domesticity and the notion of the man being the breadwinner.

Women were discouraged for ideological reasons from entering the labour market in greater numbers. However there has always been a gap between ideology and labour market reality, it is not enough to explain historical changes in women's labour market participation.

> *To understand women in traditional Europe, one must sharply distinguish between the sexual division of labour and the sexual division of roles, between how one did, and how one was supposed to act.*[46]

Ideology also interferes with the data that we receive.

> *Persistent under-recording of women's work occurred because of the prejudices of the enumerators, male household heads and those who designed the schedules and reports. The British census of 1881, for example, excluded women's household manufacturing from the definition of those economically active and much seasonal and part-time work by women was not declared. It was a striking figure feature of the capitalist economy of Victorian Britain that something like one third of the potential labour force was not normally employed....But for the overwhelming majority of women this particular benefit [employment outside the home] did not accrue until the middle of the twentieth century.* [47]

Child birth and rearing can restrict women from economic activity. In the period of transition to capitalism the marrying age was largely the determinant of family size. Infant mortality was high, there was no effective contraception.[48] The effect of these circumstances is likely to have impeded married women from industrial wage labour. In fact, during the nineteenth century the majority of women who did work in industry were single. Domestic hand trades may have been more compatible with child care. When these began to decline many married women engaged in non-wage market activities, such as child-minding, laundry work, taking in lodgers and so on. The growth of education culminating in compulsory primary and secondary education alleviated the burden of looking after older children. More recently, women have been able exert greater control over child birth

through the extensive use of contraceptives. This has been of particular importance in the increase in women's activity rates since the second world war.

Indeed, it is the considerable `inactivity' by women of the nineteenth century that is the cause of the controversy over the long term activity rates. For some, women's activity, which had increased during proto-industrialisation, stagnates then declines with industrialisation. Others argue that high levels of pre-industrial activity gave way to a reduction of women's employment only to be corrected in the mid-twentieth century.

In reality, it is necessary to distinguish between different forms of activity and the characteristics particular to each form. Using this method we can avoid some of the problems discussed at the previously arising from the transformation of wage labour and the market to the world of work.

As we have demonstrated, the importance of the role of women and the family is undeniable to the construction of unemployment. As in the historically intermediary stage in the development towards modern capitalist production, women continue to engage in intermediary

forms of activity which do not fit into the norm of modern wage labour. In so much as this is true then the relationship between unemployment and the family is of real significance. The fact that the burden of childcare and rearing rest on women mean that there has been pressure on women to be more home centred than men. As we noted, one of the aspects of modern wage labour was the separation of home and workplace. With the persistence of privatised childcare this separation can only be partial for many mothers thus several of the other forms of intermediary wage or market activities have and will be taken up by women. This limits the extent to which the modern norm of alienated wage labour, and thus the basis for unemployment, can be a universal condition within capitalist society. These forms of activity have obviously varied and will vary in the future. The state can make moves towards the socialisation of childcare through maternity and nursery provision or schooling. Crisis can make the intermediary forms of activity attractive cheap alternatives to wage labour.

The pattern of social and economic development across Europe was not regular or uniform, but of kaleidoscopic complexity. The objective criterion for the emergence of unemployment, the transformation of wage labour by capital accumulation, the factory and the town occurred

in uneven manner. The implications of this are twofold: firstly, it demonstrates the falsity of assuming unemployment to be a universal and superhistorical phenomenon and, secondly, it suggests that an understanding of the complexity of the origins of unemployment requires a comparative study of unemployment within Europe which must incorporate an appreciation of the process of modern economic and social development. Historically, two tendencies are at odds with each other, that is, the tendency towards the generalisation of wage labour, and conversely the counteracting tendency, the persistent partial transformation to modern generalised wage-labour.

Finally, we need to consider the subjective level. Unless it has achieved a certain ideological or institutional maturity unemployment cannot be measured, it cannot be part of public debate and consciousness. It would be a mistake to ignore or gloss over the subjective or ideological-institutional aspect of unemployment, indeed, this is fundamental to its historical development, particularly when we consider that the definition and ideology of unemployment has been so hotly contested. We are therefore drawn to the conclusion that unemployment was born out the objective conditions of modern capitalist development and, at the same time, subjectively understood,

contested and defined. It had to be fixed in the consciousness of men and women, in other words, it needed to come to ideological maturity. But the conceptualisation of unemployment poses us with a paradox. Generalised industrial wage-labour, the division of labour and the cycle of accumulation preceded the conceptualisation of unemployment. The manner in which the ideology lagged behind material reality needs explanation and in this process we can draw conclusions about the ideology of unemployment in general.

2.3 Ideological Origins :the Late Conceptualisation of Unemployment

Unemployment gestated as an idea for a long period, it took decades to enter common discourse. Eventually, it became a statistical category. Ideologically, this required a transformation in social attitudes to being out of work.

> *...The conviction that to live by the sweat of one's brow was the fate of humankind after Adam's fall was ingrained. Since a society that did not need the labour of everyone seemed beyond the imagination, it followed that an idle person was not so much morally inadequate but anti-social.*[49]

This was expressed at the level of economic theory by

Say's Law which stated that output creates its own demand. Logically speaking then, unemployment should not exist.[50] For this and other reasons, the idea of unemployment was ideologically resisted by those in favour of the capitalist development. Raymond Williams described this state of affairs in the nineteenth century, commenting on the argument between Young and Thompson on the linguistic existence of unemployment,

> *Clearly the modern sense of unemployment depends on its separation from associations of idle; it describes a social situation rather than a personal condition (idleness). There has been a steady resistance to this necessary distinction. .. The resistance is still active, and in relation to the words is especially evident in the use of idle, in news reporting, to describe workers laid off, locked out or on strike.*[51]

Indeed, the late conceptualisation of unemployment is remarkable.

It was not until the mid-1890s that unemployment came into general use in the English language and the French word *chomeur*, meaning someone who is unemployed was a creation of the 1870s.[52] Obviously unemployment preceded its official recognition, the delay can perhaps be explained by the continued existence of old ideas about work and idleness.

In the French census unemployment was not recorded until 1896.

> *In 1891, [the previous census] the unemployed did not constitute a specific category, neither in those `without occupation' of which they were a component, called the `acrobats, bohemians, vagabonds and prostitutes' nor in the `unclassified population', an undifferentiated mass for which the statistician could only give a general figure.*[53]

In the British census of 1881 the `unoccupied class' was not an equivalent to unemployment or a even partial recognition of the phenomenon. The `unoccupied',

> *were managing their estates and property; directing charitable institutions; prosecuting literary or scientific researches, or engaged in other of the multifarious channels by which unpaid energy finds vent. If these were deducted from the 182,282 unoccupied males, and a further deduction were also made for those who were incapacitated for work by physical defects, the remainder, constituting the really idle portion of the community, would be very small.*[54]

In the USA, it wasn't until the 1910 census that enumerators were instructed on the question of the unemployment, and even then it was not quantified.

> *On the other hand, persons out of employment when visited by the enumerator may state that they have no occupation, when the fact is they have an occupation, but merely happen to be idle or unemployed at the time of the visit. In such cases the return should be the occupation when the person is employed.*[55]

Clearly, if unemployment was to be recognised this `common sense' had to be challenged. The task of doing this was enhanced by the existence of working class organisation which became generalised to the industrial

world at around the period we are talking about. Working class consciousness, protest and organisation could challenge the accepted notions of work in society. Indeed this can be illustrated by a number of points.

Firstly, the first statistics of unemployment in Britain were collected by trade unions which organised insurance funds for their members when they were laid off. Secondly, Keyssar, in his study of unemployment in Massachusetts, pointed to the connection between the understanding of unemployment as a social problem with the demonstrations, protests and rioting of the unemployed.[56] The right to work was one of the demands made during the French revolution of 1848 which lead to the establishment of the national workshops. M.Langlan argued that working class militancy over the issue of unemployment and the Right to Work campaign in particular was a spur to action for the Board of Trade in Britain to recognise and act on the issue in the late nineteenth century.[57]

Thirdly, as E.P.Thompson noted the modern word, unemployment, emerged in the 1820s and 1830s in the trade union, radical and Owenite writing even though as yet it had not entered the discourse of the early Victorian reformers.[58] The acceptance of unemployment

as a social problem coincided with the emergence of mass socialist parties in a number European countries and the political threat they represented. In Britain for example, the Board of Trade,

> *... now sought to use the labour bureaucracy to integrate the working class as a whole around unemployment measures. Second were the swelling ranks of socialists, organised in the Independent Labour Party and the Social Democratic Federation (sic). Their increasing influence on all sections of the working class was viewed with panic by the dominant classes. Local links between the ILP and the SDF proliferated, especially on the issues of unemployment and the demand for work. Strikes and demonstrations displayed a militant challenge both to the established order and to the authority of the trade union leaders over the working class.*[59]

The European socialist parties as a whole espoused ideas that criticised the status quo and attempted an alternative explanation of the working of society and the economy. Marx's economic analysis of capitalism played perhaps the most important role here. Marx had argued in volume one of Capital that a relative surplus population is a condition of modern industry. Without this condition rapid expansion could not take place, it is an essential condition of accumulation but also it acts as a threat to the worker, who could be replaced by lower paid or less skilled groups from the reserve army i.e. women, youth, or immigrants.

> *The industrial reserve army, during periods of stagnation and average prosperity, weighs down the active army of workers; during periods of over-production and feverish activity, it puts a curb on their pretensions. The relative surplus*

> *population is therefore the background against which the law of supply and demand does its work. It confines the field of action of this law to the limits absolutely convenient to capital's drive to exploit and dominate workers.*[60]

In his discussion of `The Discovery of Unemployment' Garraty argued that in,

> *..his reserve army thesis, Marx put the question of unemployment in a new context. Whether they blamed the joblessness on the laziness or incompetence of the idle, or on society, or on fate, earlier writers had treated the problem as an aberration. Marx saw unemployment as an entirely normal and necessary aspect of capitalism, and once examined, his view of the role of the industrial reserve army seemed self-evidently correct.....The broad effect of his argument, therefore, was to increase the willingness of people to tolerate unemployment, or better, the effect was to channel the efforts of those troubled by the human and social costs of unemployment into trying to lessen its effects rather than into attempting the apparently impossible task of eliminating it.*[61]

This perhaps overstated the importance and influence of Marx on contemporary debates, but what it points to is the way in which he profoundly challenged existing attitudes to unemployment. The notion of a reserve was taken up by the influential liberal reformer Charles Booth in his `Life and Labour of the People of London' of 1902 and by the unorthodox liberal J.A.Hobson. Booth's work was significant because it viewed unemployment as a social problem - one that was morally degenerating but which was not simply reducible to personal character. He divided the working class into

categories according to levels of skill, regularity of work and moral standards. At one end of the scale was the respectable working class engaged in regular skilled work whose opposite was the unskilled, casual labourer infected with criminality and alcoholism. Irregular work, casual labour and bouts of unemployment, classically associated with the East End of London, threatened to blur the divisions within the working class; unemployment if it spread to the respectable working class would have a deteriorating effect on the morality and quality of labour. Booth proposed labour colonies which had already been established in Belgium and Switzerland to resolve the problem.

> *Booth's central objective was to restore a clear demarcation between the residuum and the respectable working class. If the residuum were isolated, the discipline of the labour market could be relied upon to preserve the respectability of the rest. He thus recommended that class B be removed to labour colonies where it would be isolated from the labour market and from the active working population.*[62]

Beveridge subsequently adopted Booth's definition of the working class and unemployment. However in these pre-1914 debates unemployment was conceptualised in a much narrower fashion than it would be after 1918. A consensus emerged that unemployment was a problem principally concerned with casual labour. Beveridge's solution of decasualisation therefore flowed from this understanding. In the inter-war period even though

casual labour certainly did not disappear the spotlight shifted to the staple industries that were suffering unemployment.

Ideological reasons alone could not account for the existence of unemployment, but without the ideological challenge the notion of unemployment and the statistical category could not have emerged.

Indeed, even during the thirties the concept of unemployment was confused. By this time governments generally counted unemployment. Most had some kind of social insurance. However, the figures were not comparable internationally and the International Labour Organisation complained repeatedly about this during the thirties. Government estimates would often be contradicted by census figures.

The depression years of the 1930s made unemployment the most important economic and political issue of the day. It rose to heights never before imagined. But still much of the economic orthodoxy of the time denied that unemployment was inherent to the system, believing that it was an aberration. The two leading British economists on the subject Beveridge and Pigou both were of this opinion.[63] According to their approach, wages were too

high and thus priced workers out of jobs. The economy tended naturally to an equilibrium of supply and demand for goods and services through the price mechanism thus bringing a general equilibrium to the economy. The continued existence of neo-classical ideas ideologically impeded the development of unemployment as a mature statistically consistent category. Analysis neither focused on the business cycle or on the possibility of generalised disequilibrium having deeper causes than a limited wages fund.

The `Keynesian Revolution' was the ideological broom with which the debris was swept aside. A number of economists rejected the neo-classical approach to recession. Keynes' followers argued that recessionary crises were the result of under-consumption. Therefore government stimulation of the economy could counter the effects of slump. Indeed, Kahn argued the government borrowing not only could encourage recovery but also had a `multiplier effect' so that the impact of government spending in time of economic lull was magnified by those very conditions. Underconsumptionism was not new. J.A.Hobson, writing at the turn of the century, had first developed an under-consumptionist approach to unemployment, but he was considered a heretic. The most important work in this tradition was Keynes' **General Theory of Employment, Interest, and Money** published in

1936. The `Keynesian Revolution' accorded a number of statistical categories an importance that was unanticipated. Unemployment, national product, inflation were now key indicators which allowed the management of an economy through co-ordinating interest rates and the balance of government spending.[64] Recessions could be averted by government budget deficit-spending. Whether or not this theory was successful or consistently implemented is disputable. What is clear is that it led to governments taking statistical indicators more seriously, in particular mesasured unemployment.

The third ideological source of unemployment and its recognition was institutional. Several institutional forms evolved which defined the development of unemployment. The social insurance of the unemployed was initiated in many cases by self-organisation of workers, through trade unions or through co-operative societies. Unemployment insurance provided an obvious method by which unemployment could be drawn out of the uncertainty of a debate clouded by ideological concerns and economic convention into daylight of quantification. Increasingly unemployment insurance systems were taken over as a responsibility of the state.

In Britain the first unemployment insurance scheme was introduced in 1911. It was extended in 1920 as a

compulsory system involving all workers except those in domestic or agricultural work.

Often labour exchanges developed alongside social insurance. Germany was the most advanced in this respect, by the 1890s every major city had a labour exchange. In the early years of the century, governments established labour exchanges in other parts of Western Europe, in Switzerland, Austria, Belgium, and Norway. In France by 1904 an estimated million jobs a year were filled by exchanges that were run by government, union, and private sector.[65] By 1925 there were 15 national unemployment-insurance schemes.

Of course the sources of unemployment are connected. Institutional structures are established due to economic changes, those economic changes create an industrial working class dependent solely on wage labour and so on. However, unemployment did not emerge as a coherent concept except through a process of ideological and institutional contingency.

We can locate the origins of unemployment with the rise of industrial capitalism. This is not simply a question of semantics. Unemployment can either have broad or narrow definitions. In the sense of a narrow definition,

for example the ILO definition only came to make sense in the context of a developed labour market. Even if we broaden our definition, unemployment cannot be projected back into pre-capitalist history. It was the radical separation of work and non-work, home and workplace, industry and agriculture, town and country, the direct producers and the means of production, that the industrial revolution brought, which gives unemployment its meaning. Unemployment did not therefore explain the experience of the poor nor the logic of production in pre-capitalist Europe. It is only if the notion of unemployment is stretched to breaking point, to mean the undersupply of work, that it can be applied to pre-capitalist economy. Obviously, this is too loose a definition of unemployment; it robs unemployment of its historical essence, the dynamic that we have established in the emergence of the phenomenon.

2.4 How has the State affected the labour force since 1800?

It may not seem obvious at first sight but state action in the labour market is crucial to the discussion of unemployment measurement. Regulation of the labour market by the state and official labour market policies has an impact on the definition, characteristics and

measurement of employment and unemployment.

The nature of this regulation has to be explored on three levels. Firstly, the historical process has to be examined by which the state began to regulate the modern labour force. Secondly, account has to be taken of the comparative dimension which allows us to assess the extent and limits of the welfare state and locate its importance as a determinant of the economic process. Thirdly, our study has to gauge the relationship between the state and labour market categories in statistical and historical terms.

Figure 2.2: State Policy and the Labour Force Categorisation

Period	Stage	Effect upon the Labour Force
Factory Legislation	1. Child labour/ Compulsory Education	takes children out of LF, where persists informalisation; rises productivity of labour through education; undermines use of cheap labour by capital;
	2. Women's labour	confirms/defines sexual division of labour; reinforces family and homecentredness of women, component of life cycle of other family members; informalises areas of women's work;
	3. Health and Safety	limits physical deterioration involved in work process; improves long term productivity of labour;
	4. Working day	defines work day as a unit of labour allows comparability;
Social Insurance	1. alter Poor Law /existing institutions	attempt to create labour market of free wage labour, but leaves poor and an undifferentiated mass
	2. Accident/ health insurance	(as 3.above) differentiates ill from the mass of urban poor.
	3. Pensions	differentiates old from the mass of urban poor; begins to take old out of the labour force, defines age limits of the labour force;
	4. Unemployment	differentiates the unemployed from the mass of urban poor, defines unemployment;
Welfare state		universalises the components established in period of social insurance; process of differentiation of life cycle strengthened.

a) The Poor Law

The first aspect of state legislation that has had an enormous impact on the labour market has been the treatment of poverty and the poor. The Poor Law was the generalised form of relief in Western Europe from the early sixteenth century. It could take two forms indoor (i.e. the workhouse) and outdoor relief. It was administered on at the level of local government or the parish. The 1834 Poor Law Amendment Act in Britain which aimed to abolish outdoor relief was an attempt to force people into waged work in the labour market. Outdoor relief had allowed some to rely on casual, seasonal agricultural work which accounted for continued labour shortages in industrial areas. The Speenhamland system of outdoor relief, which had operated in parts of Britain, paid recipients according to family size so that for many families the margin between wage and relief was small. The stigma of the workhouse, segmented by sex and age, made indoor relief punitive in character. Such restrictions were made to establish a modern labour market of mobile wage-labourers but they were ultimately incompatible with the new dynamics of poverty created by that very labour market. The workhouse remained as a stick to beat workers into the factories, but, it had to be complemented by the last resort of outdoor relief.

> *Poor relief was only given after task work had been completed in the labour or stone yard of the workhouse. The labour test was an acknowledgement that the workhouse was inapplicable to the conditions of industrial recession, since the number of male applicants would have exceeded the capacity of the workhouse to give indoor relief. By 1852 the prohibition of outdoor relief to able-bodied men in urban and industrial areas had effectively been abandoned.*[66]

In Germany, home town qualification eligibility had to be abandoned as it encouraged unwanted rigidity in the labour market.

> *Paupers traditionally had been eligible for relief only in their "home town"- defined primarily by birth or marriage- and many German states retained the home town principle until well into the age of capitalist industrialisation. The "Prussian" Poor Law was significant in conjunction with the appearance of a national labour market, since the needy unemployed were often those who had arrived from "outside" in search of work and had no local support networks. By making relief available almost universally within the Empire, the Poor Law facilitated worker's geographical mobility and helped employers retain their core labor force during slack periods.*[67]

Initially then, the state in countries like Britain and Germany attempted to mould existing institutions of poverty relief to the interest of creating an industrial labour force.

b) Factory Legislation

The first steps states took in attempting to regulate the modern labour market was factory legislation. This

was not simply true of the first industrial nation, Britain, factory legislation predated other forms of social policy in most industrialising countries. However, if we compare, the development of factory legislation in Britain and France with that of Japan or Russia it is clear that a process that took several decades for the first industrial states is compressed in their later competitors. The prohibition of child labour under the age of twelve came in Russia's first factory law, in Britain it came ninety nine years after the Apprentices Act.

Factory legislation was a means by which the employment of women and children was restricted with a view to keeping the working class family together. This was objected to by those who employed large amounts of women and children particularly in the textile mills, and some successfully evaded the legislation or at least the earlier acts. The motivation behind the legislation is often seen in terms of concern about the conditions of the labouring poor from reformers such as Shaftesbury.

> *Thus, until very recently at any rate, in the majority of interpretations offered of `decline of laissez-faire' it was still changing currents of articulate opinion and sentiment which figured most prominently, and the names which were most frequently encountered were those of the intellectual heroes themselves - Bentham, John Stuart Mill, Owen, Kingsley , Southey, T.H.Green, - or men such as Chadwick or Lord Shaftesbury who were treated as being virtual incarnations of a*

> *philosophy. The way in which any discussions of changing economic and social structure of Britain entered into such accounts was usually as a kind of backdrop against which the thought and actions of these giants could be displayed.*[68]

But their concerns were contradictory, on the one hand they were appalled by the reports of the factory inspectors and poor law commissioners, but on the other they were hostile to working class organisations and struggle. Through reforms, they hoped for an abstemious, literate, healthy, hard working and consenting poor. The family was thought to be a central mechanism for establishing this. Conditions in Britain at the time were believed to be forcing the working class family apart with unregulated factories employing women and children, unsanitary conditions, high infant mortality rates and the threat of the workhouse.

> *Great Britain's population had doubled in the first half of the nineteenth century and the rate of growth of many urban areas was even higher; the inhabitants of Leeds and Birmingham increased threefold; Glasgow, Manchester and Liverpool fourfold; and Bradford eightfold. The impact of this demographic revolution on very limited water supplies, drains and sewers was to produce an overcrowded, unsanitary urban environment with appallingly high mortality rates.*[69]

These laws went some way towards the legal establishment of the concept of `male as breadwinner' nuclear family. Consequently, the participation of married women, though subject to important regional and occupational differences, would be very low in the formal wage labour

section of the economy for the next century in Britain and in other countries that followed at a later date.

Therborn has theorised this aspect of social policy arguing that it is derived from the state's need to ensure the reproduction of the worker's life and labour.[70] The state needs to ensure a life-cycle of workers within which the productive years are only one aspect. The others, child birth and rearing, childhood (and education), unemployment, and old age, have an impact on the productive years. Unless the authorities can stabilise this life-cycle the productive capacity or potential of the working class will be adversely affected. Indeed Polyani, as Marx had earlier, went further in this regard arguing that the emerging factory system, without state regulation, `would have physically destroyed man and destroyed his surrounding environment into a wilderness'.[71] If the state does in fact aim to regulate this life cycle in the modern labour market through social policy, then, factory legislation is historically the first method by which it attempts to do so. The principal concern of early factory legislation was the employment of children.

The extensive use of child labour had two damaging affects on the life cycle of labour from the point of

view of the state. Firstly, it was a means by which employers could stay in the market without introducing new technology and without high levels of investment because of cheap child labour. The state has an interest in aiding the most technologically advanced section of the economy in the interests of international competition and growth. As Marx put it,

> *It is evident that the British Parliament, which no one will reproach with being excessively endowed with genius, has been led by experience to the conclusion that a simple compulsory law is sufficient to enact away all the so-called impediments opposed by the nature and restriction of the working day. Hence the introduction of the Factory Act into a given industry, a period of six to eighteen months is fixed within which it is incumbent on the manufacturers to remove all technical impediments to the act... But though the Factory Acts thus artificially ripen the material elements necessary for the conversion of the manufacturing system into the factory system, yet at the same time, because they make it necessary to lay out greater amount of capital, they hasten the decline of small masters, and the concentration of capital.*[72]

Secondly, child labour becomes a fetter upon improved educational attainment and therefore, in the long run, on the productivity of labour. Ultimately, what tends to happen is that the prohibition of child labour and the development of compulsory education converge until a point emerges when the age restriction of working coincides with the leaving age of compulsory education. Often factory legislation itself contained an educational element as with the educational test in the

French 1892 Factory Law or the education clauses of the British Factory Acts.

The effect of the prohibition of child labour and the extension of compulsory education was to alter the nature and definition of the working population. Modern definitions of economic activity exclude children, activity rates are measured amongst the population between 15-65 years. One element of the life cycle of the modern labour force was formalised through these two measures. This perhaps was the first way in which state regulation defined the labour force. Child labour, which was widespread in previous generations, was eliminated despite difficulties and reluctance in enforcing legislation in its early days. Factory legislation was the pioneer of social policy in general and of state labour *market* regulation in particular. However factory legislation, particularly in its latter stages, came to define the limits of activity of all employees through the regulation of the working day. Not only then was the working population defined as a result of factory legislation, but so too were the characteristics of workers' activity. Consequently, at least in part, when we talk of economic activity we can be beginning to be comparing like with like. The working day and week becomes regulated and thus we are dealing with more meaningful and comparable units of quantification.

c) The Era of Social Insurance

The era of social insurance began with the Bismarckian reforms of the 1880s in Imperial Germany. Sickness insurance, industrial compensation, old age and sickness pensions were introduced through three major pieces of legislation so that by 1890 12 million workers were covered by the first two schemes.[73] Other capitalist states followed suit and introduced similar legislation. However, classical economics favoured a laissez-faire attitude from the state. This contradiction between policy and ideas is the source of controversy as regards the origins of the welfare legislation.

Goldthorpe in the early 1960s reviewing the British controversy, rejected both the crude Whig and functionalist views of the development of the welfare state. The first is unable to explain the mechanism or alliance of interest by which orthodoxy was broken. If the emergence of the welfare state was due to an intellectual sea change why were its exponents so lacking in intellectual common ground.

> *One has here still further proof that the creation of an effective social policy is a necessary process in an advanced society; and by the same token, that this is not ultimately dependent upon any particular political or ideological*

configuration.[74]

The functionalist view, on the other hand, which sees policy as a response to the needs of modernisation, is unable to convincingly describe how different states arrived at the modern welfare state by different roads. The blind forces of urbanisation and industrialisation are too narrow a view of history for the actions of individuals or classes, or the role of ideas, or conflict and interaction between these factors.

In an attempt to overcome these problems Steinmetz has tried to empirically evaluate which factors influenced the origins of unemployment insurance in particular. Amongst German elites he identified three views: a traditionalist view of the poor which divided them into a deserving and undeserving `poor' to be dealt with by the poor relief without participation by working class organisations; a Bismarckian attitude which attempted to formulate state social policy with a view to undermining militant working class organisation; a `proto-corporative' view which aimed to integrate working class organisation in the running of social policy. He attempted regression of a whole series of variables to establish the connection of elite thinking, working class organisation and protest and modernisation to test the various theories of welfare state origins. The

methods by which he constructed his variables and his periodisation are open to criticism but the value of the research is that three conclusions can be drawn from it. Firstly, a crude modernisation case is not supported by the evidence. Secondly, the shifting policy and attitudes are not due to any single factor but an interaction of ideology, class organisation and struggle and the state. Thirdly, that the existence of the working class its ability to organise confronted the German ruling class and state with a new set of problems, the question of integration or ostracism of the organisations was central to state policy formation.

The era of social insurance initially redefined the poor along the lines of age and ill health, later distinguishing the unemployed as a specific component. The impact of this on the labour force was to clarify the boundaries of the active population. An out of work seventy year old suffering from industrial injury could now be formally excluded from the labour market. Previously it would be very difficult to distinguish him from an unemployed twenty year old brick layer. The emergence of pension insurance set the upper limits on the labour force in the same way that compulsory education and the factory laws set the lower limits of the active population. Pension insurance or benefits established a regulated upper end of the life cycle.

Sickness insurance maintained workers at times when ill health prevented them from work. Both measures negatively define employment and allow for the withdrawal of less productive individuals from the labour market. *Unemployment insurance which was the most radical break with orthodox economic and poverty relief thinking, was the final element that was distilled out of the previously undifferentiated mass of urban poor.* Obviously, this had important implications for the definition and measurement of the labour force. It allowed for those who became unemployed during the productive aspect of their life cycle to be sustained in periods of recession ready to return to work when the economy picked up.

d) The Era of the Welfare State

The era of the welfare state denotes the period in which most industrialised countries moved towards universal welfare systems. Typically, social policy spending had evolved from around 2% in the early 1880s to around 30% a hundred years later. The universality has been resisted in some countries such as the U.S. but even here welfare expenditure has risen massively. The major transformation is the process of generalising welfare provision.

During this period the process of differentiation of the poor which began with the era of social insurance was completed. The post 1945 Keynesian-welfare consensus informed state regulation of the labour market and economy to an extent it had never done before. The differentiated aspects of welfare provided the categories of social indicators. These indicators became guides to social policy.

The very completeness of the categories of state regulation has posed its own problems. State definition is not simply a reflection of economic and social realities over which it has no control. Its intervention can redraw or manipulate the boundaries between different categories, not only in terms of measurement but also in terms of policy. For example, this has led to divergent responses to the emergence of mass unemployment. The definition and resourcing of disability pensions in the Netherlands does not alter the real size of the population with disabilities but it does alter its measured size.[76] Likewise, active labour market policies in Sweden of job creation, subsidies, and training restrict unemployment. Despite the nature of both Swedish and Dutch policy being very different their superficial effects on unemployment could be similar.[77]

The state passed through three phases of social legislation in the process of industrialisation. Classically, a pattern emerged where factory legislation was followed by social insurance which developed into an universalist welfare state. As time progressed this process became compressed with the divisions between the various stages became less clear.

Social legislation replaced Poor Law provisions which were unsuited to establishing a mobile wage labour market or clearly defining the life cycle. that labour market. The vicissitudes of the business cycle undermined the ability of the Poor Law to regulate poverty. Unemployment became a new source of poverty requiring new measures. Usually, states attempted to deal with those who were unable to enter employment through old age or injury before tackling unemployment. Partly, this was due to the difficulties to isolate unemployment from other causes of poverty, partly due to the alienation of the policy-makers from the working class. Indeed, the true level of unemployment was unknown. Eventually, the various elements of social insurance differentiated the elements of the poor from one another.

There is clearly then a connection between the

regulation of the labour market by the state and the emergence of our modern labour market categories. The process by which this takes place is simultaneously cause and effect. The state is able to define features of the new industrial economy but its intervention is crucial to the precise nature, shaping and measurement of those features.

2.5 Conclusions on the Historical Development of Unemployment

Our study has attempted to investigate the origins and development of unemployment for the particular purpose of getting to grips with the measurement of unemployment. This chapter has raised several issues for the case studies of France, Britain and Poland and it has contributed considerably to our understanding of measured unemployment.

Firstly, the notion of unemployment as a timeless and universally applicable category has been rejected. Unemployment has its historical roots firmly fixed in the soil of industrial capitalism. It was the transformation of wage labour with the rise of industrial capitalism which should be pin-pointed as the crucial determinant of unemployment. Hence, the manner

in which this process affected different parts of the globe on different timescales and intensities is critical to understanding unemployment.

Secondly, limits to wage labour are not reducible to questions of *development*. Wage labour is generalised under modern capitalism but it is not a universal form. The distinction is important. This is particularly the case when we consider the role of women in the economy. Privatised childcare and the burden for it falling upon women implies that hybrid forms of social relations continue. This presents difficulties for the concept of unemployment and measurement of economic activity.

Thirdly, the ideological progress of unemployment is important to our analysis. Conceptualisation of unemployment has changed and is changing over time, this cannot be conceived as simply a reflection of the changing nature of unemployment, although this is a component within it.

Fourthly, when considering the historical development of unemployment it would be a mistake to ignore the state as an *active* participant in the construction of unemployment. The importance of state activity in constructing unemployment is historically greatest in the period of the universal welfare state, when its

categorisation of the labour market is most developed.

Finally, the conclusions of this chapter have serious consequences of the measurement of unemployment. Unemployment is a multi-dimensional social phenomena whose reality and ideological representation evolve over time and have a degree of relative autonomy. As regards the measurement of unemployment in contemporary Europe we shall have to bear this in mind and adapt a methodological approach accordingly.

1. E.K.Hunt and J.G.Schwartz, A Critique of Economic Theory, Penguin, 1972. p.8 Hunt and Schwartz make a general criticism for economic categories which applies equally to the labour market categories of employment, unemployment and inactivity. They stated that, these categories all seem to have a set of assumptions in common:
1.Acceptance of the socio-economic institutional structure, Capitalism defines the constraints - the economists task is clearly delimited within these bounds.
2.The premise of social harmony. Aside from a few `frictions' and difficulties, there are no irreconcible conflicts of interest between social groups.
3.A bombastic, antiquated individualism.
4.The state as an impartial arbitrator, not committed to any class or group.
5.Total lack of historical perspective - capitalism is accepted as for all time - its past evolution from feudalism is dealt with summarily, other systems are discussed to underline the superiority of capitalism.

2.for example the view is held by A.Keyssar, Out of Work, Cambridge University Press, 1986, which discusses unemployment in Massachuetts. J.A.Garraty, Unemployment in History, Harper & Row, 1978. A general account. R.Salais, N.Baverez and B.Reynaud, L'Invention du Chomage, Presses Universitaires de France, 1986. Which deals with the French experience of unemployment. M.J.Poire, `Historical perspectives and the interpretation of unemployment' Journal of Economic Literature, vol.25, December 1987. Which summarises and reviews the discussion of the others. A.Keyssar,op. cit., p.9., sums up the position thus,

> *Still, the problem of unemployment did not disembark from the Mayflower and forever after remain a constant in American economic and social life. Throughout the colonial era and into the early nineteenth century, the phenomenon of voluntary idleness was largely invisible; it did occur but not on a sufficient scale to become a prominent or noticeable feature of the economic landscape. Even after Massachusetts and the United States began to industrialise, the problem of unemployment came to widespread public notice only gradually...Only after the middle of the nineteenth century did unemployment seem to become a palpable presence in the Commonwealth of Massachusetts.*

3. E.P.Thompson, `Time, work-discipline, and industrial capitalism' Past and Present, no.38, December 1967.

4.K.Thomas,`Work and leisure in pre-industrial society', Past and Present, no.29, 1964. p.52

5.K.Snell,`Agricultural seasonal unemployment, the standard of living and real wages in the South and East, 1690-1860,' Economic History Review, vol.34, no.2, 1981. p.40. Snell looked at the variations in poor law payments in order to determine changes in the level and structure of unemployment with regard to the question of the standard of living debate. There are important limitations to this approach which mean that we cannot formally quantify unemployment. Local differences in poor law policy, the partial or generalised nature of unemployment considered, in other words are we just dealing with people who are `wholly unemployed'. These unknowns restrict the extent to which we can meaningfully talk about unemployment in this context. This was not Snell's objective. Indeed the extent to which there was underutilisation of agricultural labour is a crucial question in the standard of living debate. In this respect his conclusions are valid, poor law payments indicated a changing seasonality and gender structure to rural underemployment over time.

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Chapter 3: Government responses to mass unemployment and its impact on statistics with particular reference to contemporary Western Europe

On a theoretical level, we have argued the measurement of unemployment has to be seen as the product of two social processes, the construction of unemployment and the measurement of social phenomena. This theoretical framework can now be tested at the empirical level with a study of the measurement of unemployment in contemporary Western Europe.

Unemployment has in the past twenty years assumed an importance in economic debate that has made the issue of its measurement of great significance. Unemployment is an indicator of economic well-being not only from a national perspective but also as an indicator of international comparison, of international competitiveness and the state of labour markets.

However, because unemployment statistics do not exist in a vacuum, they are subject to a whole series of institutional, conceptual and policy determinants. These influences upon the size of unemployment figures may distort comparison when using unemployment as a yardstick.

The state since 1973 has been forced to respond to chronic unemployment (the 1980-8 rate being over twice

that of 1960-7 for the G7 countries) and to respond to acute rises of unemployment in the recessions of 1974-5, 1979-80 and 1990-3.[1] These problems have transformed the labour market, migration patterns, industrial activity and the welfare state. In general terms, this crisis has put governments in the position of needing to reorganise their activities. This reorganisation reflects a series of political choices. Once the commitment to full employment was officially withdrawn, the industrialised West entered new territory. It is from this starting point that we should assess the changes that the labour market and unemployment have undergone.

The aim therefore of this chapter is to outline and assess the impact of some determinants of unemployment on its measurement. These determinants can be divided into two categories, statistical and policy factors.

3.1 Technical difficulties of comparative unemployment measurement

Technical difficulties are perhaps more straightforward than policy factors. Over a period of time unemployment definitions have become harmonised.[2] The current definition was adopted by the International Labour Office and was agreed upon at the 13th International Conference of Labour Statisticians in 1982. Most national labour force surveys follow these guidelines.

However, even official statisticians have challenged the notion that a single definition is capable of identifying unemployment.[3] Three organisations conduct international comparisons of unemployment rates, the Organisation for Economic Co-operation and Development (OECD), Eurostat or as it is otherwise known, the Statistical Office of the European Community, and the United States Bureau of Labor Statistics (BLS). Each of these has its own coverage and history. It was the latter programme that predated the others. The BLS series began in 1961, and approximated unemployment figures of different countries to the US concept of unemployment. At present it covers the G10: Canada, United States, Japan, France, Germany, Italy, Netherlands, Sweden, United Kingdom and Australia. It follows its own convention but these are very close to those of the ILO concept. The OECD covers 14 countries adding Belgium, Finland, Norway, and Spain to those studied by the BLS. The BLS is closer to ILO recommendations in its series than the OECD. For the European Community, Eurostat collects and publishes labour force survey results from the 12 member countries, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxemburg, the Netherlands, Portugal, Spain and the United Kingdom.[4] The emphasis is on cross-national comparability, as a result, wherever the case arises of an adjustment cross national comparability

overrides the historical consistency.[5] The Eurostat series differs from the two others as it is not based upon adjustments to national figures but upon a Community-wide labour force survey carried out by the various national statistical offices.[6]

Greater difficulties arise when we turn to registered unemployment figures which are used in most countries to provide data that is more rapidly and regularly available than the labour force surveys.[7] The figures for claimants of unemployment benefits can include people who should, according to the official definition, not be considered unemployed, such as those entitled to benefits but not seeking work, or can exclude those who are unemployed but do not register for unemployment benefit because they are not eligible. Therefore, social security systems require investigation, in terms of how they allocate entitlement to benefits. Other considerations of social security policy also affect the size of unemployment figures such as entitlement to pensions, redundancy payments, and invalidity/sickness benefits.

Eurostat has demonstrated stark differences in registration across the European Community.[8] Registered counts are produced by most governments as the most up-to-date unemployment rates. It is often these series that attract controversy. Being an administrative by-

product of unemployment insurance, they are subordinated to the needs of a social security system. Therefore, changes in the administrative system such as computerisation of records, alteration in signing on schedules and changes in entitlement to benefit, will alter the count.

More detailed work (in Britain and France) on the effect of these changes in the national registration counts are laid out in the chapters dealing with individual countries. Here we are concerned with the wider comparative issues they raise. As an Eurostat report showed there are quite significant differences between countries in terms of the type of work sought.[9] France and Ireland do not include in their claimant counts those who are seeking part-time but not full-time work. At the other extreme Italy, Portugal, Greece and Belgium include those who are seeking work of any hours duration. Other major discrepancies arise between social security systems when it comes to the eligibility to benefit of those seeking their first job. Also the accuracy of figures will vary quite considerably because of the fact that different countries require the unemployed to register at different intervals, from daily to 3 monthly intervals. The extent to which these discrepancies affect the count varies from year to year. For example in Britain the labour force survey and

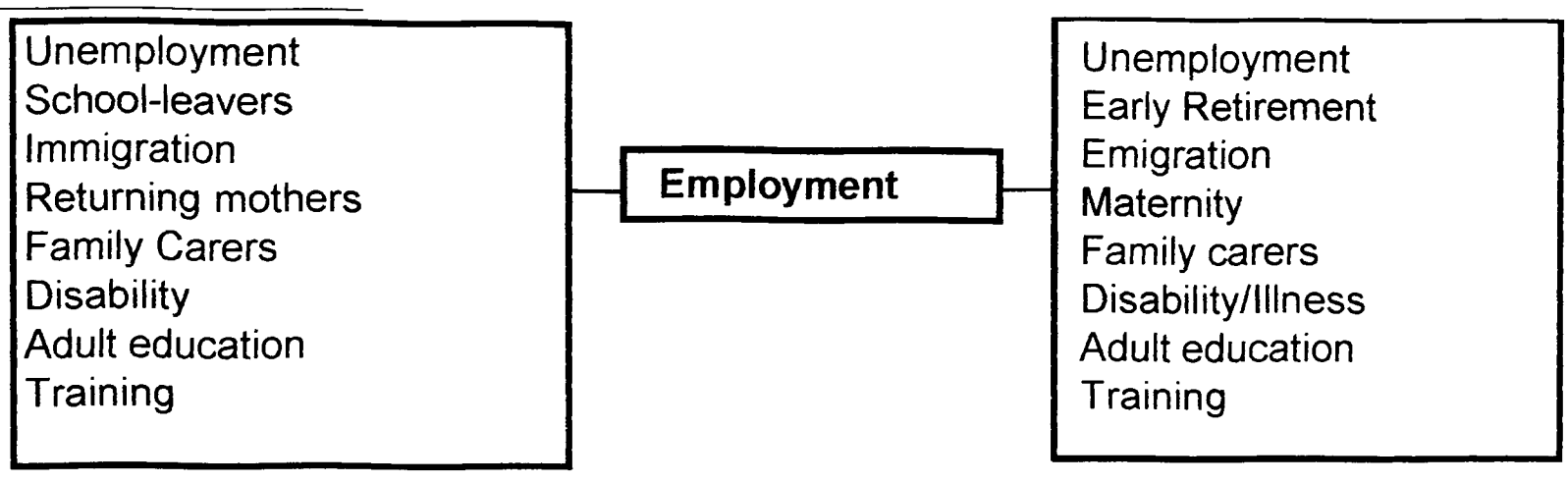
registered unemployment show little difference for some years, in 1988 the registered count is only 1.2% greater than the labour force count. However in other years the two counts diverge, in 1989 the LFS was 11.2% greater than the claimant count.[10]

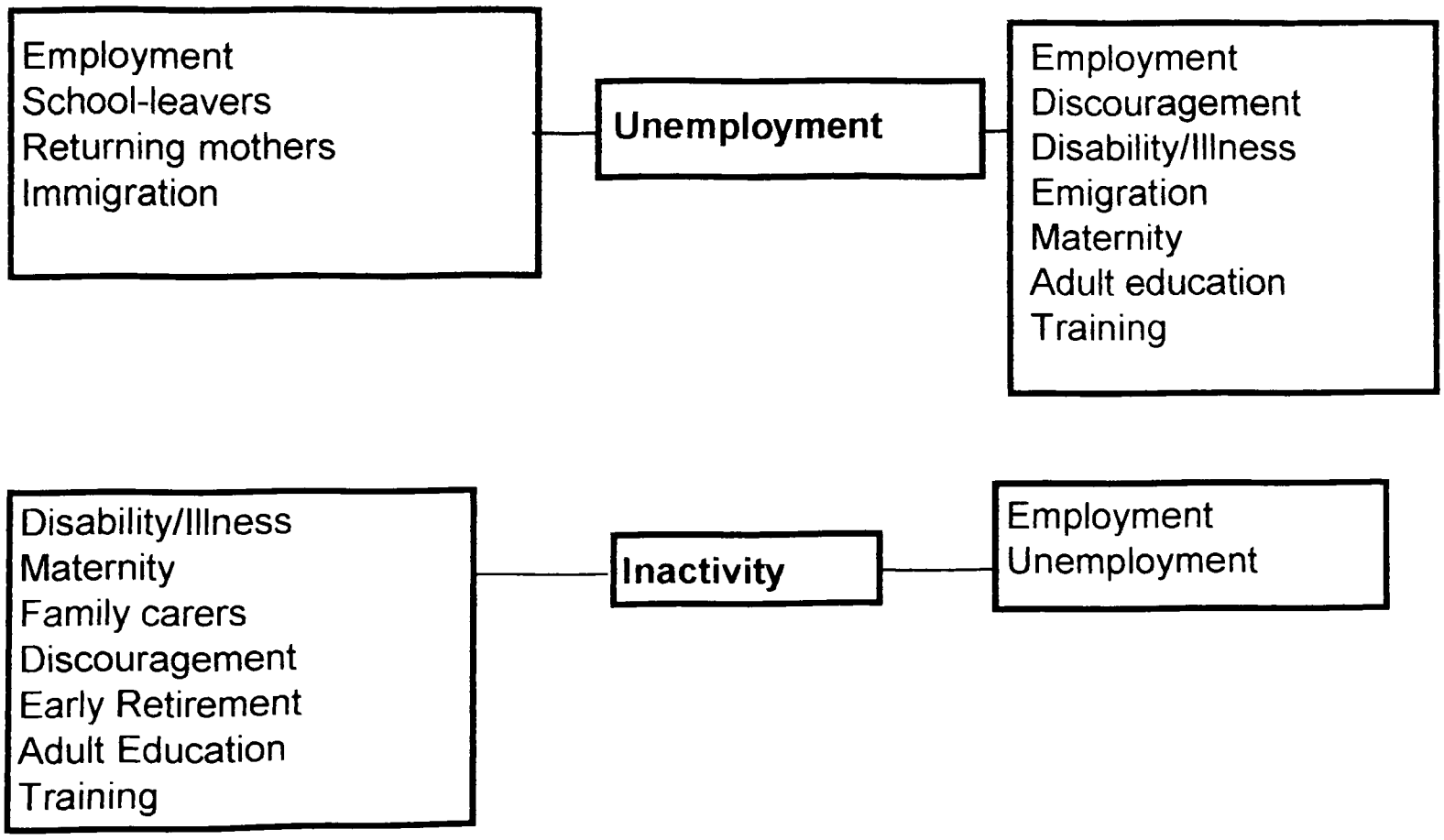
There is considerable variation in registered and labour force survey unemployment levels across the European Community. Italy which includes those on training schemes on the register shows the most pronounced discrepancy between registered unemployment and LFS unemployment. In general it can be said that there are differences between the counts of varying degrees for all countries and that these are not constant over time.

3.2 Labour market flows and unemployment

It is not simply statistical aspects that can distort comparability of unemployment figures. Broadly speaking, other problems can fall into two categories, policy effects and conjunctural features. Our starting point should focus upon the labour market as a dynamic and contradictory phenomenon. People are in a constant flow into and out of employment, from activity to inactivity. Essentially, within the population of working age, there are three labour market states: employed (or self employed), unemployed and inactive. The labour force is made up of the unemployed and the employed.

Flow Diagram of the Population of Working Age and their Relation to The Labour Market





From the diagram, a number of subjects emerge to which we have to pay particular attention. Age, migration, health and disability, government training, education, job creation and retirement schemes should be investigated as to whether they effect the statistics of measured unemployment.

The various categories indicated by this flow diagram will be discussed below, categories will be selected according to their significance and suitability for Europe-wide study. In practice, there are three considerations in terms of comparability from this perspective. Economies will differ according to the extent of disequilibrium between inputs and outputs, such as for example age structure. Secondly, the changing political situation. In the fifties and sixties, near full employment shaped macro-economic policy, the institutions of the welfare state, even the political objectives of governments. However, the crisis of the seventies meant that these were out of step with the institutional needs of the system. This chapter attempts to describe various ways in which government responded. The institutional framework has changed, and thus, the context in which unemployment exists has profoundly changed. Finally, governments have purposely manipulated the flows between the three labour market states for economic or political reasons.

3.3 Migration and unemployment

The specific characteristics of the different groups entering or leaving employment or the labour market can have significant effects upon the level of unemployment. The first group that we shall consider is immigrant workers. In terms of international comparison, the policy towards immigrant labour has been approached in starkly contrasting ways by governments in the post-war period.[11]

Firstly, flows of labour migration can be seen as a function of the international division of labour. Areas of dynamism and growth within the world economy become subject to labour or skill shortages. This was particularly true of the years of the post war boom, when the major industrial nations, to varying extents, relied on immigration drawn from a less developed periphery or from former colonies. The exhaustion of the post-war boom has forced governments to rethink their attitude to immigration and has also changed perceptions of potential immigrant workers themselves.

Secondly, immigration, nationality, work permits and so on are a question of government policy. These legal structures have a bearing on the amount of state control over the flow of migrant labour.

The third point is that migration should be thought of as a two-sided coin. Emigration can have as profound an influence on levels of unemployment as immigration, which is given much more political attention.

Within the major economies we can distinguish between countries on the basis of their patterns of migration from the sixties onwards. Firstly, it would seem that there were a number of economies that pulled in labour and had long periods of net immigration. Within this group are West Germany, France , United States and Switzerland. At the other extreme are countries that (especially in the sixties) were net suppliers of labour to other countries, Greece, Spain, Italy, Ireland, the former Yugoslavia and Portugal.[12]

Perhaps the most significant question as regards migration and unemployment levels is how did rising unemployment of the mid-seventies onwards affect the pattern of migration.[13] This has two components- how did migration rates react in the short term to turning-points in the economic cycle and how was migration affected in the longer term. The first major shock to the developed economies since the Second World War came in 1974. It was a decisive turning point in the world

economy from which the developed countries have never really recovered to pre-1974 levels of growth and unemployment.

Firstly, there are those countries that moved sharply away from net immigration in relative if not in absolute terms. West Germany, Switzerland, Austria and Denmark fall into this category. During the early 1970s Switzerland had been a net immigrant country. This turned around in 1974 and in 1975 it had a net emigration rate of a 10.4% (net migration / working population). The greatest flexibility in this respect came about in countries where guestworkers were kept on short term contracts, were isolated from trade union representation, had few political rights and then replaced after a year or so by other migrant workers. Austria, Switzerland and West Germany operated these systems. Although it was West Germany which acted first, closing down 7 recruitment offices in Mediterranean countries and imposing restrictions on non-EEC immigrants in late 1973, within a year others had followed suit, including France, the Netherlands and Belgium whose policies did not cause the dramatic reversal of migrant flows that did occur in the countries mentioned above.[14]

The experience of other countries was the absolute opposite, a sharp shift towards net immigration. This is

particularly true of Greece and Portugal but also to a lesser extent Ireland, Italy and Spain. Intermediary countries showed no clear short-term trend. The second major recession arrived in 1979. Although the rise in unemployment was certainly not synchronised, most of the countries were experiencing rising unemployment within a year. Significantly, the same countries that responded sharply to the first recession of the seventies, West Germany, Austria, Denmark, Switzerland, acted likewise in the second. In all these countries net emigration had turned into net immigration by the second recession. The sharpest turn around was that of Austria which, having already experienced two years of recession with continued immigration, moved dramatically to net emigration with a swing in the net migration rate from 1981-82 of 8.4%.[15]

In more generalised terms, the seventies saw a marked divergence in the flows of net migration. The pattern that emerged was that those countries that moved from immigration to emigration most rapidly were also those with the greatest cyclical fluctuations in migration figures; other countries have had a more stable pattern of immigration, usually a general decline, i.e. France, UK, USA and Japan.

In all the West European newly industrialising nations, except Ireland, which were exporters of labour during

the sixties (Portugal, Spain, and Greece) an increasing migration stability has emerged after volatility in the 1970s. The conclusion that must be drawn from this is that the levels of unemployment of some countries are affected more than others by migration. Those which are particularly affected are those countries with highly volatile or sensitive net migration, that is, Switzerland, West Germany, Austria and to a lesser extent Denmark. In these cases the immigration policy- usually the guest worker system- has a restrictive effect upon unemployment as guest workers are expelled but also leads to labour market shortages as the economy recovers, this accounts for the sharp shifts from net immigration to net emigration.[16] The other category of economies subject to volatility are those countries that had traditionally been labour exporters. With these countries especially during the 1970s, the cyclical tendency of migration would have aggravated national levels of unemployment when it was rising elsewhere. In other words, Portuguese or Greek figures would include those put out of work by German or Swiss industry. This has become less significant through the course of the eighties.

However, there are some quite significant aspects of migration that these figures alone are unable to explain. The most obvious is the level of clandestine

labour migration. This has, of course, gone on since the first immigration laws were passed. It is estimated that clandestine immigration has been growing in a number of developed countries, notably Austria, Italy, Belgium, and France in the course of the eighties, with its associated practices of sub-contracting, labour trafficking and appalling working conditions.[17]

In France in 1989 INSEE, Institut National de Statistique et Etudes Economique, stated that the most significant component of the black economy was occasional jobs employing foreign migrants. The scale of the black economy operations were estimated at 1% of GDP or 50 billion francs. It estimated that public works and construction made up 53% of such practices. The level of clandestine (often sweated labour) was also common in the leather and garment industry.[18] Italy, which had formerly been an exporter of labour now has significant immigration. The Minister of the Interior estimated that there were as many as 1 million illegal immigrants in 1990. Belgium strengthened legislation against labour trafficking in 1989 because of the marked increase especially with Portuguese and Spanish construction sub-contractors over the previous decade.[19] In 1990 it was estimated that between forty thousand and one hundred and forty thousand clandestine workers were resident in Austria.[20]

Both the Italian and Austrian government's have attempted amnesties for clandestine workers in order to regularise immigrant labour but, as in the case of Austria, this only qualifies the worker for a one-year work permit for those having worked in Austria for at least 14 months and a 5-year permit for those having worked for 5 years. The amnesty schemes have not been a great success. Both of these amnesty arrangements were backed up by stricter immigration inspection and controls.

Levels of clandestine immigration and the black economy are therefore very difficult to quantify.[21] They do not enter official employment figures, neither would they enter registered unemployment. As such it is very difficult to draw firm conclusions on the issue, but the existence of clandestine migration can be an important factor confusing international comparisons.

It also has been noticed in a number of countries that immigration has undergone a qualitative change in content. Immigration in the eighties has been conditioned by the character of earlier immigration. Settlement and family reunion of those split by the search for work in the sixties and seventies has become a significant motivating factor in recent immigration.

The extent to which this can happen legally is dependent upon immigration policy of the various states. The other source of immigration has been from political asylum seekers. These tendencies in immigration have implications for the age and gender composition of immigration and, as a result, for the relationship of migration flows to labour market conditions.[22]

Developments with the Single European Act have brought the question of labour migration into sharper focus. Under the terms of the Act free passage is permitted between the countries of the EEC. Previously, some moves towards harmonisation of migration had taken place under the 1985 Schengen accord. The Benelux countries, France, and West Germany co-ordinated immigration and asylum laws and have abolished internal border controls. If a foreigner seeking residence from one of these countries was rejected then he or she is rejected by all. Also, co-ordination takes place through the secretive EEC-wide Trevi group. Its brief is to deal with immigration, drugs and terrorism. Its aim is to formulate rules for the treatment of non-EEC nationals as regards visa requirements, conditions of entry, repatriation and deportation arrangements and dealing with rejecting political asylum seekers.[23]

There do, however, seem to be important limits beyond

which individual states want to retain control over immigration policy. In 1988 the Single European Act was appended by the member states confirming the right of member states to determine the admission of non-EEC nationals. This would include some of the major sources of migrant workers such as Turkey and the former Yugoslavia.

The future of migration patterns is uncertain. In Europe, the possibility of large-scale migration from Eastern Europe exist. What does seem certain is that the regulation of immigration will take place at the national and community level and that there will be a level of unofficially tolerated illegal immigration.

Migration may continue to be a significant factor in allowing unemployment rates to differ internationally and over time. For example, Biffl et al estimate that, in Austria, had it not been for the foreign worker effect, unemployment in 1985 would have been 5.7% rather than the observed 4.2%.[24] Fluckiger et al demonstrated the importance of exported unemployment as regards Switzerland. In 1974-6, they stated 305,000 jobs were lost whilst at the same time 180,000 migrant workers left by choice or because their permits were not renewed.[25]

Migration therefore affects different states in different ways, from those states in which it is used as a buffer against higher levels of unemployment to those countries whose domestic unemployment levels can be aggravated by returning migrants.

3.4 The underground economy

The underground or black economy, as with the other aspects of the labour market, has been transformed by the experience of the seventies. The history of the black economy has been inversely related to stability and health of the formal economy. Wars, emergencies and crises tend to lead to a surge in the underground economy, when the legal and institutional framework is no longer able to satisfy entrepreneurs, workers and consumers. There has been a noticeable growth in the underground economy in a number of industrialised countries.[26]

The underground economy's scope can be divided into three areas. The first and most obvious is criminal activity. The second is tax evasion by the self-employed. The third is workers in forms of employment that are undeclared, so that employers can avoid paying tax, trade union organisation and social security contributions. This is often connected to moonlighting,

work by illegal immigrants,labour trafficking, home working and sub-contracting. Essentially, these forms of concealed employment introduce all sorts of problems in trying to assess the state of the labour market.

The size of the underground economy and irregular forms of employment are dependent on particular circumstances. They are concentrated in certain industries and have evolved at different paces because of the state of the formal economy. The underground economy has expanded with the loss of traditional forms of employment whether this be peasant farming, construction, or manufacturing. Many of the irregular practices could not survive within the established institutional framework due to taxation, social security, regulation, union or state determined wage rates and health and safety regulations. The underground economy tends to be concentrated in areas of high labour intensity, low or stagnant productivity and technology, in decentralised activities where it is difficult for the regulators to supervise, and those areas involving large amounts of unpaid family work. Construction and clothing are two good examples.

Since the crisis the irregular economy has spread to other sectors. In Southern Europe, there is widespread moonlighting amongst school-teachers, civil servants, local government employees, and bank clerks.

> *In some cases complementarity has been so pronounced as to be interpreted as an hidden agreement between employers and employees, the former turn a blind eye on the practice of moonlighting: the latter renounce claiming salaries comparable to those of equal occupational categories in other industrialised countries.*[27]

At its heart, certain tendencies come together to give rise to the particular expansion in irregular employment that we have witnessed: the aim on the part of employers of finding a cheaper and more flexible workforce, the shift from traditional forms of production, the crisis in public services and the welfare state, a growing tendency of firms to sub-contract, the growth of personal services, and proliferation of light technology.

In overall terms, concealed employment accounts for between 2-8% of all hours worked in the OECD. Its contribution to GNP is substantial enough at around 2-4% but it can also interfere with our notion of labour market categories. For example 38% of the young unemployed surveyed in the UK admitted to having worked from time to time.[28] Research seems to suggest that some countries are more prone to irregular work than others. One study suggested that countries which mix traditional forms with new industrialisation and tertiarisation are most strongly effected.[29] Italy, Spain, Portugal,

Greece, and Ireland would be included in this category.

In these countries the legal and institutional system of regulation had only partially developed by the end of the post war boom. Italy, it is argued, is a special case as the breakdown in the system of regulation occurred a decade before other countries because of the strain of uneven regional development. As a result, it is widely accepted that Italy has the largest sector of concealed and irregular employment. Other countries, Germany, Japan, Netherlands, and Denmark, with highly developed regulatory systems, have moved least towards irregular work, which has been restricted to certain sectors of the economy such as personal and family services.

3.5 Government activity and comparative unemployment measurement

Another of the considerations as regards a critical assessment of the levels of unemployment is the relative weight of official intervention into the labour market by way of government schemes.

> *All community member states apply employment measures to a greater or lesser extent. This has been one of the factors leading to the emergence of population groups whose occupational status is*

> *no longer sufficiently clear to allow a simple breakdown into three categories that have namely been unemployed, employed, and inactive .... With the advent of different types of employment, e.g. the various forms of part-time employment and extensive government schemes, and the priority given to the employed in statistics no longer accurately reflects the situation in the labour market.*[30]

Formerly governments' primary labour market practice was that of Keynesian demand management. Periodically fiscal policy lead to a boost in the *demand for labour*.[31] Once this was abandoned different methods were needed. One alternative to this approach is reducing the supply of labour through schemes (and migration control or education for that matter).

The effect of these schemes is particularly difficult to deal with. Firstly, their use is generally counter-cyclical, that is, they not only vary over time but governments expand these programmes as unemployment grows. Secondly, international comparability of schemes problematic. The figures of those on schemes are often sketchy and irregular. Their statistical treatment differs from country to country. Italy and the Netherlands include those on schemes (aimed at the unemployed) in the registered unemployment count, whilst most other EEC countries do not. Also there exist various categories of schemes which make cross-country

comparison difficult as some measures seem to fall between categories. Other policies are aimed at the young such as the age of school-leaving age being raised at times of high unemployment, as in Spain, or in Britain and Belgium by making those under eighteen ineligible for unemployment benefit, giving the sixteen years old school leaver the choice of either a government scheme or work. One of the major areas of government policy has been that of early retirement schemes.

It is therefore necessary to try to assess the scale of government intervention of this type as one of the criteria of comparability. Schemes are not included in the ILO definition of unemployment and thus introduce a variable which may confuse comparison.

The extensive use of labour market schemes is a relatively recent phenomenon but a further question has to be asked that is the relative weight of this kind of intervention between countries.[32] The data from Eurostat reflects the weaknesses of the information produced by governments about their schemes. Some of the reference periods are not be strictly comparable, and some of the minor schemes do not have figures available for them. The Eurostat data does give a crude guide to the extent to which governments employ such forms of intervention.

Some quite astonishing results are given. Belgium and Spain are by far the most prone to use labour market schemes, with schemes affecting 29% and 20% respectively as a proportion of civilian employment. Most of the EEC countries are grouped around 6-9%. Greece, the Netherlands, Portugal and the U.K. have low levels of intervention of this kind at around 3-4%. Even at this level, however, schemes can and do have an impact on the level of unemployment.

It has also been noticed that the divisions between the various spheres of social security system can become blurred at times of rising unemployment: qualification for disability benefits are relaxed and there is increased use of early retirement. Both of these means people are taken out of the active population. Pfaff in his study of unemployment's relationship with social security and early retirement systems for the International Social Security Association, noted,

> *..... official (registered) unemployment figures, when compared cross-nationally, do not correctly state the cyclically-determined "hidden reserve" of discouraged workers. Furthermore, registered unemployment does not reflect adequately the "permanently discharged" i.e. those persons who have left the labour force via early retirement programmes or more liberal disability provisions.*[22]

The West German case illustrates the point. In 1969, the

Federal Social Court made moves to tailor eligibility for disability benefit to the state of the labour market. As a result those who were only able to do part-time jobs could qualify for disability benefit if only full-time employment was available. According to Walter Huber, by the end of 1977 the cumulative number having left the labour force was 260,773. Disability criteria had relaxed by 1979 to the extent that 50% of male and 53% of female new pensions were disability pensions. It had become the single most important way of leaving the labour market.[34] In 1973 in the Netherlands, the criterion for the awarding of full disability benefit became the lack of suitable employment, again allowing for the relaxation of entitlement if unemployment began to rise. Between 1970 and 1984 those on disability pensions as a percentage of the labour force nearly trebled (from 4.4% to 12.2%). In a 1982 report by the Social Security Council and the University of Leyden it was stated that this produced a 71% hidden unemployment component of those on disability benefits.[35] In Sweden, since 1970, labour market conditions, in addition to medical reasons, have been taken into account for older persons disability pensions (those 63 and over). In 1974 this age restriction was dropped to 60.[36]

Pension rights and benefits is another area of social policy which has influenced the numbers unemployed.

Many countries have introduced early retirement schemes or a reduction in the retirement age in the course of the last two decades which has had the result of reducing the numbers of older unemployed people. Such schemes are operated in Belgium, Germany, France, Finland, Austria and the Netherlands. Retirement ages themselves vary from country to country.[37]

One of the most marked features of the labour market in the past twenty years has been the reduction in activity rates of older workers, particularly older men. It can quite clearly be seen in the changes in activity rates for a number of countries between 1975 and 1988.[38]

Firstly the higher levels of unemployment have led to a discouraged older worker effect, where many drop out of the labour market. Older workers can find particular difficulty finding work because of changing technologies reducing the need for certain skills and the slender likelihood of employers retraining them. Thus, they are prone to discouragement by job search which they are likely to abandon after a while.

Secondly, pensions have also undergone institutional changes. There has been an expansion of private pension, redundancy and early retirement arrangements at the

industry, company and individual level, especially in the US and UK.[39] However, if we compare countries with extensive state schemes with those with more developed private pensions, it is clear the former has had a greater impact on the labour market.[40]

Thirdly, the state has encouraged early retirement as a labour market policy. The tendency predated the turning point of 1974-5. Initially, the introduction of early retirement, as with the extension of disability benefit/pensions, was one aspect of the long-run growth of the welfare state. The measures that predated the recession of 1974 were expanded. Additional measures were formulated in a number of countries. Early retirement was proposed in a number of countries as a method of combating youth unemployment, some of the schemes stipulated that retirees should be replaced by younger unemployed workers, as in Belgium and France. Not only was there the practice of offering early retirement to employees through government schemes but a number of countries offered older unemployed persons the option of withdrawing from the labour force. In most cases, they drew short of lowering the official retirement age (the exception being France) as this would be too an inflexible a measure. The alternative is to drop registration requirements for older unemployed people.

Belgium provides an example of an early retirement policy as a labour market tool to respond to economic crisis. The first early retirement scheme (the Contractual Early Retirement Benefit) was implemented in 1975. Dismissed workers aged 60 or over were entitled to this benefit (earlier in several industries and companies). By early 1984 101,061 had drawn benefits under the scheme, 78,502 of whom where still drawing it. It aimed to deal with those made redundant at times of large scale job loss.

The second scheme, the Statutory Early Retirement Benefit (1976-82) extended the former scheme to public employment, dismissal was not necessary and it attempted to make employment of a young person a criterion of each early retirement. In February 1984 39,377 people were still drawing the benefit despite the fact that there had been no new applicants for two years.

Special Early Retirement Benefit (1978-82) was offered to long term unemployed older workers (from 60 for men and 55 for women) in order that they withdrew from the labour market. The scheme that superseded the Statutory Early Retirement Benefit was the Early Retirement Pension (1983-). There were certain minor differences with the older schemes. For example, those on this

scheme were entitled to the same amount of money as those on the state pension scheme. It continued features such as the replacement requirement, but this no longer had to be someone under 30.[41]

Finally, in January 1991, the Belgian government introduced another scheme which again relaxed eligibility for early retirement. Under it there is no cut in the level of pension if the individual retires before 65 and the obligation upon employers to find a replacement was lifted.[42]

Belgium illustrated how a government has used early retirement to engineer a reduction in the labour force. Officially, early retirement was a means to combat youth unemployment through replacement criteria. However over time these criteria were relaxed then dropped, suggesting that reduction of the unemployment figures is seen as an end in itself. Belgium has witnessed the greatest decrease in activity rates for older workers, beginning earlier in the working life than other countries. Male activity of those 55-59 in Belgium dropped from 82% in 1975 to 51.4% in 1988, that is, early retirement of up to 10 years. In no other country have activity rates fallen to these levels from such an early age; equivalent activity figures for the European

12 in 1988 were 72%.[43]

Early retirement elsewhere has concentrated on the 60-64 age range, and it is here that the most significant reductions in activity has occurred. Those countries with extensive early retirement schemes have achieved the largest drops in activity, France, Belgium, UK, the Netherlands, and Germany. Other countries have experienced continuing high activity amongst this age group, Portugal, Denmark, UK (despite a considerable fall in activity), Ireland and Greece. The drop in activity amongst older workers is strongly related to early retirement policy and a significant variable when considering national levels of unemployment. For example, if Belgium's activity rate were that of the European 12 for the ages 55-64 it would have introduced approximately an extra 194,000 onto the labour market in 1988.[44]

There are a number of pressures on government formulation of labour market policy for the aged. The focus is here upon unemployment, but it is not there sole consideration. Cost is another. The uneveness of financial strain on governments goes some way to explaining the extent to which they are likely to undertake an extensive early retirement schemes. What becomes clear from the figures of social security

expenditure is that those countries that have favoured early retirement as a method of tackling unemployment are not highly burdened in social spending for the aged.[45] For example Belgium and West Germany, whilst having extensive schemes for early retirement and high relative pension levels, have below average social security expenditure on the elderly. The UK, on the other hand, has one of the lowest rates of pension but has very high expenditure on the elderly. High spending on the elderly might make early retirement schemes seem less attractive. However, considerations other than cost have a bearing upon labour market policy towards the old.

The first is a question of gender, of attempting to move more towards a sexual equality in retirement ages. The increase in labour market activity amongst women has obviously been central to this development, but also international organisations such as the European Commission have pushed for equality of retirement ages. The European Commission issued a directive on equal treatment for men and women within social security to be progressively implemented with a 1993 deadline. Now only five of the European 12 have state pension ages that differ for men and women. These five are under pressure to comply, Belgium and Britain have announced their intentions to equalise ages. A number of cases in the

European court have prompted such action, for example, Barber versus Royal Exchange 1990 and Clarke versus Clay Precision Engineering Ltd. 1989.[46] It has been suggested by the British government ministers that a retirement age of 63 for both sexes is the most suitable option.[47]

Another consideration is that of the industrialised world's ageing population. The knowledge that the future is one of growing numbers of elderly has deterred some governments from adopting early retirement schemes or lowering the age of retirement. Japan, which had traditionally a low retirement age, has recently attempted to encourage older workers to stay in the labour market.[48]

> *Population ageing has important implications for the size and structure of the potential workforce. The number of young people entering the labour market is already tapering off in many countries and by the end of the century the working age population (15-64) will be shrinking in some European countries and Japan .... By 2020, an average of around 43% of the working age population in the seven largest OECD countries will be aged 45 or over, compared to just over 30% today.* [49]

At the other end of the spectrum is the impact of education policy upon the labour market. Education can both reduce the active population and qualitatively improve the supply of labour. In their different ways, both are ways of dealing with high unemployment

especially when youth unemployment is such a problem amongst the industrialised world. Education forms an important part of the institutional framework within which unemployment exists. School leaving ages, enrolment rates, higher education and vocational training differ from country to country, but also the state has had to re-examine the role of education since the seventies. This leads to difficulties of comparability.

> *Educational expansion, the standard response to reduced demand for young people's labour, has the added advantage of constituting in human capital, with beneficial effects on productivity and competitiveness. But this expansion now seems to have reached a stage of diminishing returns in most OECD countries and has even had unwelcome side effects such as the emergence of a new educational underclass who simply put up with their years of compulsory education, without being able to reap its rewards.* [50]

Despite the weaknesses of the data, what is clear is that enrolment rates have by and large increased for those over school-leaving age.[51] Spain has increased its school-leaving age. Belgium in 1983 adopted the German model where a component of compulsory education or training became necessary up to the age of 18. This has the effect of increasing the number of young people who will not enter the labour market core of full-time jobs. When we compare the enrolment rates by age and sex of the early seventies and early eighties there are some trends common to most of the countries for which we have

figures.[52] First, enrolment has risen generally particularly amongst 15-18 year olds. The rise in average enrolment rates in the European 10 between 1970/1 and 1981/2 was 18.3% (unweighted average). The rise in enrolment was greatest in Denmark, the Netherlands, and Germany. The second trend common to the states is the increase in female enrolment from 15-24. The most marked increases coming in Italy, Denmark, the Netherlands, and Germany. The change in enrolment rate for Denmark for example, is 20.8 percentage points for 15-23 year olds, between 1975/6-1982/3. This is the equivalent of approximately 160,000 people being taken out of the labour market.[53] This is a large figure when we consider that Danish unemployment in 1982 was 254,000.

The question then becomes to what extent has this expansion of the education system affected the numbers of unemployed? If we refer back to activity rates for EC members what is striking is the extent to which inactivity at the older end of the labour market is more significant than the younger end. Early retirement and relaxed disability play a greater role in taking people out of the active population than does the expansion of education and training. This is not to say that the latter has no effect. Indeed for the European 10 the 18.3 percentage points increase in enrolment

rates (1970/1-1981/2, for 15-24 year olds) adds up to around 3% of the labour force. Its significance however relates more to other fields of study, especially coping with the specific problem of youth unemployment.

Conclusions

From our perspective, a number of general conclusions can now be drawn. First the onset of the economic crisis at the time of the first oil shock profoundly affected government policy as regards the labour market, the welfare state and the economy. Crisis led to attempts to reorganise how the system was regulated and this is increasingly taking place on the national *and* international level (in particular in Europe). The response of governments to this crisis and particularly the rapid growth of job losses within the economies has significantly influenced the measurement and meaning of unemployment. At the most obvious level, i.e. on the level of definition there are still differences between countries in terms of registered unemployment. Beyond this, government action has moulded the labour market to make real comparability of unemployment an onerous task. As Mirkin states, these actions have blurred the former meanings of our labour market categories.[54] Government policy has juggled people from one labour market state to another.

The limits upon such engineering is being set by a number of tendencies within the world economy, the ageing populations of the first world, the crisis of welfare spending, and the economic stagnation and political instability of the periphery, particularly Eastern Europe. A country by country approach is therefore the only satisfactory method to begin to estimate real comparability, but even then uncertainties, gaps and incompatibility in the data about the labour market will limit the possibilities of true comparison. However, it is possible to give an *outline* of the major ways in which government policy has effected the levels of unemployment, activity and employment and the relative importance of such measures between countries.

Table 3.2: Comparative use of labour market policies by various countries that affect the level of unemployment.[55]

Job creat'n schemes	early retirement	disability policy	immigration policy	education policy
Spain	Belgium	Netherlands	Switzerland	Denmark
Belgium	France	Italy	Austria	Netherlands
France	Denmark	Germany	Germany	Germany
W.Germany	W.Germany	Norway	Denmark	Italy
Italy	Netherlands	U.S.		Belgium
U.K.	U.K.			Spain
Greece				
Netherlands				

Table 3.2 has attempted to show where specific policies have had a significant effect upon the level of unemployment. The ordering also indicates an attempted ranking in terms of relative scale of impact. If a country does not appear under a certain heading it is considered that this policy has not had a significant effect on unemployment levels in that country. Obviously this can only be provisional, to act as a rough guide when considering such things. A more meaningful and through discussion can only e with our studies of individual countries, Britain, France and Poland.

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2. Labour Force Statistics: Methods and Definitions, Eurostat, 1988. Community Labour Force Survey, a User's Guide, Eurostat, 1988.

3.J.Shiskin,`Employment and unemployment: the doughnut or the hole', Monthly Labor Review, February 1976. Shiskin pioneered the notion of a band of unemployment definitions, u1 to u7, from the narrowest which would eliminate short-term and female unemployed to the widest notion which would include those discouraged by job search and elements of labour underutilisation. The ILO definition is included within the categorisation as u5. C.Sorrentino,`The uses of the EC LFS for international unemployment comparisons', Eurostat News: special edition, `The community LFS into the 1990s, proceedings of seminar held in Luxemburg, October 1987', 1988. Sorrentino applied this method to the EC LFS and other Western economies. Its advantages appeared to be that it avoided some of the weakness of a single measure of unemployment as some countries such as Japan which had very low ILO defined unemployment when u7 was considered did not perform so well. Canada has also developed its own band of unemployment definitions, r1 to r9. The limitation to the band of unemployment definitions is that its cannot show the manner in which governments are able to manipulate labour market flows.

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Chapter Four : The Measurement of British Unemployment: Political and Social Controversies

The study of the measurement of unemployment in contemporary Western Europe reveals that difficulties exist on more than simply a technical level. From the investigation the key question of flows between labour market states was identified. These flows could be understood by examination of labour market categories such as migration, old age, youth, disability and women. In each of the individual country studies, starting here with Britain, we shall focus on those categories that have an impact on measured unemployment in that individual country. As a consequence of these difficulties of unemployment measurement, in many of the countries of Western Europe unemployment figures have been the subject of political controversy, none more so than in Britain. This controversy is our starting point in the study of Britain.

4.1 Contemporary Political Controversies of Unemployment Measurement

The measurement of unemployment in Britain over the past two decades has sparked considerable controversy.[1] This controversy, which emerged hand in hand with mass unemployment, has taken place on two levels: the technical and the political. However, difficulties are

not restricted to this period; a cursory glance at long run measurement of unemployment reveals a confusing mass of contradictory data. Britain provides a good example of the problems of the measurement of unemployment and government manipulation. Not only is there no country that has unemployment series that start earlier than the British trade union series, but unemployment in Britain has provided a general discourse of historical importance.[2] We have only to think, for example, of the internationally important works of Marx and Booth, the centrality of the conflict between the Treasury and Keynes in the 1930s to the formulation of post-war consensus, and the more recent accusations of massaging of the unemployment figures under Margaret Thatcher.[3] Moreover, the industrial and sectorial changes which brought modern unemployment occurred earlier and have perhaps gone further in Britain than in any other country in Europe.[4]

The long-run measurement of unemployment has been revised and contested from its outset. These figures raise important questions as to the measurement of unemployment today. If it is true that, even today, there are contradictory results from statistical inquiries into unemployment, then it is necessary to understand the practical and theoretical implications of this. In part, this was dealt with in Chapters 2 & 3

which attempted to demonstrate how unemployment is an institutional and policy construct. However, here the British case is used to demonstrate, more concretely and with greater precision, some of the general propositions drawn from Chapters 2 and 3.

During the 1970s unemployment in Britain more than doubled. For thirty years there had been very little unemployment, the rate of unemployment oscillating around 3%; however by the end of the decade it was rising towards 10%, a figure which would have seemed inconceivable and politically unacceptable only ten years earlier. The rise in unemployment was accompanied by a growing controversy as to its measurement. Our aim is to deal with the conceptual problems that this growth of unemployment created and the implications for its measurement.

The break-down of the post war boom reopened the debate on the causes and nature of unemployment. This debate initially focused on the Phillips Curve but broadened out to a generalised questioning of the unemployment statistics themselves. The discussion of unemployment measurement took place in newspapers, political journals, bank reviews and economic journals.[5] On the one hand, it was argued that registered unemployment

figures significantly underestimated true levels of unemployment and that considerable levels of hidden unemployment had developed. Both the American Bureau of Labour Statistics and the National Institute Economic Review criticised the British government's registered unemployment figures from this point of view.[6] Guy Standing drew the following conclusion from this critique of unemployment statistics,

> *The evidence suggests that the downturn in the labour market since 1966 has been generally underestimated by policy makers. This is suggested by the comparison between the evidence on unemployment and that on employment and participation rates.*[7]

The critique of Standing, Meacher and Cairncross amongst others was connected to the defence of social democratic policy goals established during the long boom years.

On the other hand, several politicians and economists of the right argued that the statistics exaggerated the level of unemployment and that this exaggeration led to policy errors. In 1972, John Wood argued that unemployment could be only considered a real indicator if it excluded the ill, older unemployed and disabled. He suggested that underlying unemployment would at that time rather than being in excess of 450,000 would more reasonably be something in the order of 160,000.[8] Wood was writing for the right-wing think-tank, the Institute

for Economic Affairs, which played a considerable role in constructing the ideas of the British New Right, of Thatcherism. Indeed, Sir Keith Joseph weighed in on the argument in the run-up to the general election of 1974 criticising the bipartisan approach of the post-war era which, due to a misinterpretation the unemployment figures, was aimed at `fuller than full employment' or `negative real unemployment'. He argued that various categories should be deducted to establish a meaningful yardstick of unemployment, these included those who had been unemployed under 8 weeks, the `actual scroungers', and those difficult to place due to ill health or age. The favourable reception by the **Times** of Sir Keith Joseph's Preston speech indicated that the argument of the New Right, was not the ramblings of mavericks destined for the political wilderness for the rest of their careers, but people who were to gain political ascendancy in the Conservative Party in the course of the seventies.

> *Sir Keith Joseph is ... right in regarding the whole post war economic policy in Britain as having been overinfluenced by the fear of unemployment, partly because of the statistical misrepresentation of the unemployment figures consistently exaggerated the true levels of unemployment in the economy.*[9]

However, by the eighties the argument had been turned on its head. The criticism of government statistics now centred on official reductions in the figures and claims

that unemployment was officially underestimated. As a result of 30 changes to the monthly claimant count of unemployment, between October 1979 and September 1989 numerous articles found their way into newspapers, public confidence in the figures plummeted, and an alternative index was established by a independent research organisation, the Unemployment Unit.[10] These changes were introduced in the name of increased accuracy or administrative efficiency. Official explanations of this nature were unable to quell controversy.

> *....Because all the changes but one minor one have operated in the direction of reducing published unemployment totals by a cumulative 424,000, as well as 1.4 points in percentage terms, the suspicion lingers that the motive behind them was to reduce the damaging political effect of high unemployment. After all, accuracy would have been improved by adding to the count some of those not claiming benefit who are defined as unemployed in the UK's own Labour Force Survey.*[11]

To get to grips with the controversy, closer inspection of the principal disagreements over the measurement of unemployment is required.

The definition of unemployment is usually not the source of disagreement. The problem is the different ways of calculating the unemployment rate once a broad definition is agreed. The official figures reflect this, the Labour Force Survey and claimant count contradict

one another and measure different categories of unemployment. The claimant count has been subject to the severest criticism as it comes out monthly and is produced with the shorter time lag, figures coming out on the third Thursday of the following month, whereas the lag for the LFS even in its improved present form entails a three month lag on quarterly data. The method by which the basic statistics are collected is one reason for discrepancy. The claimant count is an administrative figure derived from those signing on at unemployment offices. The LFS takes the form of a questionnaire sent to a sample of the population. The claimant count includes a number of people not considered by the ILO to be unemployed. In Spring 1991 there were 660,000 on the claimant count but not considered unemployed by the ILO, of which 400,000 were not available for or seeking a job and 890,000 had had an hour or more paid work in the reference week. On the other hand, 750,000 were unemployed but not on the claimant count.[12] For Christopher Johnson there was an obvious solution,

> *Since both the benefit claimant definition and the Labour Force Survey definition cover people who might be regarded as unemployed for different reasons, it would seem logical to merge them. We then find that there were 4 million unemployed or 14.3 per cent of the working population, in Spring 1986.*[13]

Further claims of government manipulation of unemployment statistics have arisen. Between 1983 and 1989 the government claimed that *employment* had risen by 3.4 million. However, it was pointed out by Henry McLeish MP[14] that this figure included several components that are highly questionable. He identified the ambiguities of part-time working, training schemes and self-employment as reasons to suspect the official labour market statistics.

> *The debate over the level of unemployment has tended to focus on the impact of changes to the way statistics have been calculated over recent years. Since taking office in 1979, the Conservatives have shown little hesitation in manipulating to tell their own story.*[15]

This is relevant to our discussion of unemployment for three reasons. The first reason is the press coverage and political impact of the report relates to the general discussion and attitudes to unemployment statistics.[16] Secondly, the ongoing argument about the integrity of government statistics led to calls for a national statistics council independent of the ministries.[17] Thirdly, inactivity, employment and unemployment, the three labour market states, are locked into a dynamic and dependent relationship. As McLeish pointed out, changes in the level and nature of employment affect unemployment and inactivity.

If we examine the deeper issues then we can see that part-time work raises two related questions. Firstly, to what extent has the rise in employment been due to a rise in full-time employment? Secondly, has a change in the scale of part-time employment given rise to an increase in the number of those taking on two jobs? McLeish found that 1,462,000 of the 3.4 million, or 43%, of the new employment figure was due to part-time working; a ratio much greater than the ratio of part-time to full-time in the economy as a whole. If this surge in part-time work had taken place on a full-time basis the effect on the numbers in employment would have been approximately half of the actual increase (assuming that two part-time jobs can be replaced by one full-time post.) On the second point the number of double jobbers have risen faster than employment in general. Those double-jobbing rose by 352,000 in this period, it should remembered that those having two jobs are counted twice in the employed population.

The second set of difficulties arise with self-employment figures. These are questionable because of the gap that widened between those defining themselves as self-employed according to the yearly labour force survey and the numbers registered as paying national insurance contributions appropriate to self-employment. In 1983, the LFS estimate for self-employment stood at

2,209,000 whilst the NI registration of self-employment stood at only 1,600,000. By 1987 the Labour Force Survey recorded 2.8 million whilst the National Insurance figures showed 1.9 million.[18] This obviously raises a question mark over the nature of the evolution in self-employment.

Thirdly, training and employment schemes need scrutiny. The Youth Training Scheme, Restart, and Employment Training were all products of the 1980s and involved numbers of those affected by unemployment. Hundreds of thousands of places on YTS and ET were created and these went onto the employed population. However the degree to which this was genuine training or even genuine job creation was questioned. Bill Jordan, President of the then AEU, and certainly not a left or radical trade union leader, said that the work experience scheme was,

> *..Nothing more than a palliative, designed to fiddle the unemployment figures ... If adopted it will take people out of the unemployment count but not give them a proper job.*[19]

Furthermore, the Restart interviews which started in 1986 became a method by which the unemployed would be taken off the unemployment register, as this was combined with stricter eligibility for work tests. It is thought that these two factors have significantly reduced the figures of unemployed. Most long-term

unemployed Restart interviewees re-enter the unemployment figures as newly unemployed. A Bank of England report estimated that Restart accounted for a 750,000 reduction in unemployment figures. Considering Restart has conducted 6 million interviews it has been very unsuccessful in its declared intention, as a bridge between unemployment and employment.[20] Internal Civil Service figures published by the Unemployment Unit reveal that of those interviewed only 13% were submitted for jobs but less than 1% were actually taken up. However, a later study found that Restart did reduce the time of claiming benefit by about 5%.[21]

As a result of the controversies of the eighties Professor Benjamin noted, in a report for the Economic and Social Research Council that unemployment,

> *.. is now the classic example of the damage that can be done to trend analysis by frequent changes in definitions, especially when there is no way of translating one base to another. The tragedy is that more damage is done to credibility than any gain to political advantage and genuinely non-political motivated social and economic scientists are denied the means to observe the real trend.*[22]

The controversies of the unemployment statistics in Britain therefore have led to a serious challenging of the credibility of the data. But the issue is not one of simple political manipulation; to leave the argument at this level would imply that there can be `unprocessed'

data which would accord the measurement and definition of unemployment an asocial and ahistorical objectivity. To shed light onto the controversies it is therefore necessary to go deeper, to establish the social processes that have affected the underlying construction of unemployment measurement in the last two decades. Our focus will be upon three key categories, suggested by Chapter 3, to be of particular significance in the British case: women, life-cycle (in particular youth and old age) and disability.

4.2 Women and the measurement of unemployment

The issue of women and unemployment is commonly linked to the `reserve army' thesis. Marx developed the notion to describe sections of the population which could be mobilised during economic upswing, only to be discarded with recession.[23] Women, it is argued, are drawn into the labour market at times of labour shortage to vanish back into the family or join dole queues when that demand slackens.[24]

In Britain, it is difficult to place women's experience of unemployment in this category. The fundamental reason for this is that women's unemployment has been generally lower than men's although the participation rate differential has narrowed. There are two explanations of

this. The first is that this is a statistical myth, a distortion due to definitional and accounting procedures. The second is that the `reserve army' thesis is no longer tenable where British women are concerned.

Interestingly, John Wood of the Institute of Economic Affairs argued that women, along with the youth, should be excluded from the unemployment figures in the early seventies, which might give credibility that the lower rates of unemployment for women are statistically artificial.[25] Samuel Brittan of the Financial Times echoed Wood's arguments that unemployment levels were statistically inflated.[26] Hence, there would seem to be ideological pressure to statistically minimise women's unemployment, supporting the notion that relatively low female unemployment is artifically created.

Indeed, several writers have noted the inadequacy of registered unemployment or claimant count unemployment in recording women's unemployment.[27]

> *Non-working women are a very heterogeneous group exhibiting various degrees of current attachment to the labour market. Some want jobs and may be broadly defined by economically active, while others have withdrawn either temporarily or permanently from the labour market to look after their families or have retired form paid work through illness or injury. Deciding which non-working women are unemployed is difficult, for as we anticipated, the usual registered or unregister*

-ed measures are not straightforwardly applicable to women.[28]

When the 1971 Census of Population and the registered unemployment figures were compared it was found that a relatively small number of men and larger number of women were unemployed but not on the official registered count. There are essentially two reasons for this discrepancy.

Firstly, for numbers of married women their husband's income makes them ineligible for unemployment benefit. Therefore, wage and social security structures combine to remove women from the figures. Before 1982 women who were unemployed but ineligible for benefit could join the register so not all were discounted, but with the discontinuation of the register and movement to a simple

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Chapter Four : The Measurement of British Unemployment: Political and Social Controversies

The study of the measurement of unemployment in contemporary Western Europe reveals that difficulties exist on more than simply a technical level. From the investigation the key question of flows between labour market states was identified. These flows could be understood by examination of labour market categories such as migration, old age, youth, disability and women. In each of the individual country studies, starting here with Britain, we shall focus on those categories that have an impact on measured unemployment in that individual country. As a consequence of these difficulties of unemployment measurement, in many of the countries of Western Europe unemployment figures have been the subject of political controversy, none more so than in Britain. This controversy is our starting point in the study of Britain.

4.1 Contemporary Political Controversies of Unemployment Measurement

The measurement of unemployment in Britain over the past two decades has sparked considerable controversy.[1] This controversy, which emerged hand in hand with mass unemployment, has taken place on two levels: the technical and the political. However, difficulties are

not restricted to this period; a cursory glance at long run measurement of unemployment reveals a confusing mass of contradictory data. Britain provides a good example of the problems of the measurement of unemployment and government manipulation. Not only is there no country that has unemployment series that start earlier than the British trade union series, but unemployment in Britain has provided a general discourse of historical importance.[2] We have only to think, for example, of the internationally important works of Marx and Booth, the centrality of the conflict between the Treasury and Keynes in the 1930s to the formulation of post-war consensus, and the more recent accusations of massaging of the unemployment figures under Margaret Thatcher.[3] Moreover, the industrial and sectorial changes which brought modern unemployment occurred earlier and have perhaps gone further in Britain than in any other country in Europe.[4]

The long-run measurement of unemployment has been revised and contested from its outset. These figures raise important questions as to the measurement of unemployment today. If it is true that, even today, there are contradictory results from statistical inquiries into unemployment, then it is necessary to understand the practical and theoretical implications of this. In part, this was dealt with in Chapters 2 & 3

which attempted to demonstrate how unemployment is an institutional and policy construct. However, here the British case is used to demonstrate, more concretely and with greater precision, some of the general propositions drawn from Chapters 2 and 3.

During the 1970s unemployment in Britain more than doubled. For thirty years there had been very little unemployment, the rate of unemployment oscillating around 3%; however by the end of the decade it was rising towards 10%, a figure which would have seemed inconceivable and politically unacceptable only ten years earlier. The rise in unemployment was accompanied by a growing controversy as to its measurement. Our aim is to deal with the conceptual problems that this growth of unemployment created and the implications for its measurement.

The break-down of the post war boom reopened the debate on the causes and nature of unemployment. This debate initially focused on the Phillips Curve but broadened out to a generalised questioning of the unemployment statistics themselves. The discussion of unemployment measurement took place in newspapers, political journals, bank reviews and economic journals.[5] On the one hand, it was argued that registered unemployment

figures significantly underestimated true levels of unemployment and that considerable levels of hidden unemployment had developed. Both the American Bureau of Labour Statistics and the National Institute Economic Review criticised the British government's registered unemployment figures from this point of view.[6] Guy Standing drew the following conclusion from this critique of unemployment statistics,

> *The evidence suggests that the downturn in the labour market since 1966 has been generally underestimated by policy makers. This is suggested by the comparison between the evidence on unemployment and that on employment and participation rates.*[7]

The critique of Standing, Meacher and Cairncross amongst others was connected to the defence of social democratic policy goals established during the long boom years.

On the other hand, several politicians and economists of the right argued that the statistics exaggerated the level of unemployment and that this exaggeration led to policy errors. In 1972, John Wood argued that unemployment could be only considered a real indicator if it excluded the ill, older unemployed and disabled. He suggested that underlying unemployment would at that time rather than being in excess of 450,000 would more reasonably be something in the order of 160,000.[8] Wood was writing for the right-wing think-tank, the Institute

for Economic Affairs, which played a considerable role in constructing the ideas of the British New Right, of Thatcherism. Indeed, Sir Keith Joseph weighed in on the argument in the run-up to the general election of 1974 criticising the bipartisan approach of the post-war era which, due to a misinterpretation the unemployment figures, was aimed at `fuller than full employment' or `negative real unemployment'. He argued that various categories should be deducted to establish a meaningful yardstick of unemployment, these included those who had been unemployed under 8 weeks, the `actual scroungers', and those difficult to place due to ill health or age. The favourable reception by the **Times** of Sir Keith Joseph's Preston speech indicated that the argument of the New Right, was not the ramblings of mavericks destined for the political wilderness for the rest of their careers, but people who were to gain political ascendancy in the Conservative Party in the course of the seventies.

> *Sir Keith Joseph is ... right in regarding the whole post war economic policy in Britain as having been overinfluenced by the fear of unemployment, partly because of the statistical misrepresentation of the unemployment figures consistently exaggerated the true levels of unemployment in the economy.*[9]

However, by the eighties the argument had been turned on its head. The criticism of government statistics now centred on official reductions in the figures and claims

that unemployment was officially underestimated. As a result of 30 changes to the monthly claimant count of unemployment, between October 1979 and September 1989 numerous articles found their way into newspapers, public confidence in the figures plummeted, and an alternative index was established by a independent research organisation, the Unemployment Unit.[10] These changes were introduced in the name of increased accuracy or administrative efficiency. Official explanations of this nature were unable to quell controversy.

> *....Because all the changes but one minor one have operated in the direction of reducing published unemployment totals by a cumulative 424,000, as well as 1.4 points in percentage terms, the suspicion lingers that the motive behind them was to reduce the damaging political effect of high unemployment. After all, accuracy would have been improved by adding to the count some of those not claiming benefit who are defined as unemployed in the UK's own Labour Force Survey.*[11]

To get to grips with the controversy, closer inspection of the principal disagreements over the measurement of unemployment is required.

The definition of unemployment is usually not the source of disagreement. The problem is the different ways of calculating the unemployment rate once a broad definition is agreed. The official figures reflect this, the Labour Force Survey and claimant count contradict

one another and measure different categories of unemployment. The claimant count has been subject to the severest criticism as it comes out monthly and is produced with the shorter time lag, figures coming out on the third Thursday of the following month, whereas the lag for the LFS even in its improved present form entails a three month lag on quarterly data. The method by which the basic statistics are collected is one reason for discrepancy. The claimant count is an administrative figure derived from those signing on at unemployment offices. The LFS takes the form of a questionnaire sent to a sample of the population. The claimant count includes a number of people not considered by the ILO to be unemployed. In Spring 1991 there were 660,000 on the claimant count but not considered unemployed by the ILO, of which 400,000 were not available for or seeking a job and 890,000 had had an hour or more paid work in the reference week. On the other hand, 750,000 were unemployed but not on the claimant count.[12] For Christopher Johnson there was an obvious solution,

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4.2 Women and the measurement of unemployment

The issue of women and unemployment is commonly linked to the `reserve army' thesis. Marx developed the notion to describe sections of the population which could be mobilised during economic upswing, only to be discarded with recession.[23] Women, it is argued, are drawn into the labour market at times of labour shortage to vanish back into the family or join dole queues when that demand slackens.[24]

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-ed measures are not straightforwardly applicable to women.[28]

When the 1971 Census of Population and the registered unemployment figures were compared it was found that a relatively small number of men and larger number of women were unemployed but not on the official registered count. There are essentially two reasons for this discrepancy.

Firstly, for numbers of married women their husband's income makes them ineligible for unemployment benefit. Therefore, wage and social security structures combine to remove women from the figures. Before 1982 women who were unemployed but ineligible for benefit could join the register so not all were discounted, but with the discontinuation of the register and movement to a simple claimant count this was lost. Before the end of unemployment registration, the discrepancies between the General Household Survey and the official registered unemployment was stark.[29]

The move to a claimant count in 1982 did not undermine this relationship as the Unemployment Unit reported in 1989,

> *Whereas the claimant count for spring 1987 is composed of 69% men (2,050,000) and 31% women (910,000), the Labour Force Survey figures show*

> *52% men (210,000) and 48% women (1,960,000). This underlines the frequently made point that the monthly unemployed figures drastically understates women's unemployment. These figures suggest this is done so by over a million.*[30]

This is borne out by figures produced by the **Employment Gazette** from Labour Force Surveys and Claimant Counts.[31] Non-claimant unemployment is a phenomenon which is predominantly female with a high proportion of whom are married (70% in 1987 and 1988; 62% in 1989; 59% in 1990, whereas only about 40% of unemployed claimants are married).[32]

Secondly, social security arrangements have always viewed claimants according to family centred notions.[33] It used to focus on the male head of the household. This concept blurred levels of women's unemployment as it was assumed that family units contained a single wage-earner who was male. However, due to a 1979 EC directive either partner can now be nominated. But the fact that benefits are still centred on the notion of the family means that in reality a woman's position may be distorted. Jane Millar described the inadequacy of the non-discrimination directives:

> *Equal treatment should be taken further - for example it should mean that in unemployed couples both the man and the woman have the same incentive to register as unemployed, the same individual benefit entitlement, the same access to training and other employment schemes - and, of course, the same conditions and penalties attached to*

eligibility. [34]

Therefore, survey and census data in Britain should be considered a more reliable indicator of women's unemployment. There are several such British sources; the Census of Population, the Labour Force Survey, the General Household Survey and the Family Expenditure Survey.

Survey data is itself not perfect as regards women's unemployment. Firstly, there is the possibility of the `contamination' by claimant count figures: as survey data depends on self-definition, an individual's position within the social security regulations may affect their perception of their own employment status. Secondly, the ILO definition of unemployment is `dependent-blind'; women may not be searching for work as they are engaged in search activities for alternative care arrangements for children or other dependent family members. Both of these factors are likely to disproportionately affect women. For this reason the criteria of immediate availability imposes particular difficulties on women. Thus in the 1987 Labour Force Survey 641,000 women stated that they would like a job but were not free to begin work within a fortnight (the figure for men was 363,000).[35] It is likely a large proportion of these could not do so because of care responsibilities.

Indeed, two criteria take women out of the unemployed on this basis, both the seeking work criteria and availability for work. Thus, in 1990, 50,000 women were in the claimant count,(i.e. were not looking for work), in order to look after `home/family'.[36]

The Labour Force Survey is also unable to get to grips with the real levels of underemployment of women as its definition of employment is one hour a week for pay or profit.[37] Here again, women are misrepresented by the definitional criteria. This can be demonstrated by figures from the 1990 LFS. 8.2% of women employees work less than 10 hours a week, compared to less than 2% of male employees; the contrast is more clear cut with the self-employed where 13.3% of women work less than 10 hours, male self-employment is less than 2% again. In the 1991 LFS 5.4% of women employees worked 0-7 hours a week whilst only 1.1% of men did so.[38] Women's underemployment is associated with homeworking, outwork, family work, employment banks, temporary work and other flexible practices that unemployment figures do not adequately explain.[39]

Therefore the measurement of women's unemployment is problematic for a number of reasons.

Firstly, definitional criteria centre around concepts ill-suited to certain aspects of women's economic activity. The first is the notion of the family, which assigns to women, a gender-specific role which is by no means the case for all women. Secondly, notions of employment centre around full-time, workplace, permanent jobs.

Secondly, normal legal equality does not harmonise men and women's experience at work, with social security or in the home. It, therefore, should not blind us to the way in which these different experiences can be mis-represented by measurement procedures that imply they are measuring like with like.

Thirdly, childcare is a crucial question in the ability of women to take up work, how many hours they can work, where they can work, and what status they have at work. Employer and state strategies can mould the participation and labour market position of women in ways in which we should be aware.

In Britain, the official levels of women's unemployment underestimate the true nature of the problem. Women's employment and unemployment, because of the factors outlined above, are labour force categories that are

both dynamic and have a certain about of malleability. This is crucial, therefore, to our understanding of the social construction of unemployment measurement. Whilst a crude reserve army thesis is an inadequate explanation of the women's economic activity in Britain, in the 1970s and 1980s, there is a sense of continuity between reserve aspects of women's relation to the labour market and the present flexibility of women's status. This transformation is obscured by simple unemployment figures.

4.3 Unemployment and the Life Cycle

The evolution of the labour force and therefore unemployment is a multi-dimensional process. Historically, economic activity is determined by the socially constructed life cycle. As economic development takes place, the economic activity of people of different ages tends to become increasingly structured and conditioned by the interaction of the labour market and state policy.

The notion of the life cycle leads to an investigation of three aspects of the labour force of particular importance from this perspective: youth, old age and demographic-age factors in the population structure. Our starting point is the rise of unemployment from the mid

seventies to the present and it effect on economic activity.

Firstly, activity changes are differentiated by gender, the most dramatic is the increase in female participation, which is particularly marked between 25 and 54 year olds, for whom economic activity has risen by over 20 percentage points from 1971 to 1990.[40] In overall terms, male economic activity has declined while the figure for women has risen in the same period.

Secondly, activity of the older sections of the labour force has declined. This is most pronounced amongst men, where decline begins at an earlier age and is of a greater magnitude than for women. For men, the decline begins in the 45-59 age group, but is clearest amongst the 60-64 age group, their decline from 1971 to 1990 was 28.5 percentage points; for women the only decline was amongst those women aged 60 or over whose activity declined by 4.9 percentage points.[41]

The third dimension of the changing life cycle is the near stability of male participation from the age of 20 to 44 years. Interestingly these are the only age-gender groups for which there is not a change in economic activity in one direction or another of more than 4

percentage points; in fact, the change is less than 1.5 percentage points.[42]

Finally, There is a *rise* in youth (16-19 years) activity rates for both men and women, of 4.8 and 5.7 percentage points respectively.

It is important to explore these changes and to analyse how they affect the measurement of unemployment.

a) Youth: schemes, education, and unemployment

The change in youth economic activity needs to be broken into its constituent parts. Firstly, education is obviously a feature which has a specific bearing on youth activity rates. Secondly, youth unemployment is considered a problem in its own right and governments have often responded with measures specifically geared towards the young, such as the Youth Training Scheme and Youth Opportunity Programme in Britain.

The breakdown in youth activity gives rise to four key observations.[43] Firstly, employment has fallen dramatically from 65% of 16-18 year olds in 1976 to 42% in 1988. It continued to fall throughout the period for both men and women, but that fall slowed towards the end

of the period.

Secondly, a shift occurred in education away from part-time towards full-time, part-time numbers declined from 22% to 7% of 16-18 year olds and those in full-time education rose from 26% to 33% (1976-1988), the chief beneficiary of this was further education. The overall level of full-time educational enrolment has then been a factor in the changing activity of young people but one that does not explain the rise in youth economic activity, indeed a rise in educational enrolment leads to a countervailing trend. Neither the level of employment or education explain the changes, in fact both would suggest movement in the opposite to that experienced, i.e. of a declining youth economic activity.

Thirdly, the introduction of the Youth Training Scheme has altered the composition of youth activity. The YTS accounted for 16% of 16-18 year olds by 1988, and has had a major effect on the patterns of youth activity. This factor would raise the level of economic activity. Training in the eighties has been complex due to the multiplicity of schemes.[44]

Fourthly, unemployment rose up to 1986 then began to

decline. Again this factor would maintain or raise the level of economically activity. So the rise in activity is due to the growth in YTS and unemployment. As to the decline in unemployment 1986-88, despite the fact that we cannot establish the precise relationship between employment, unemployment and YTS, a simple observation puts the fall of youth unemployment into perspective: the fall of unemployment was *less than* growth in YTS in 1986-88. This may suggest that YTS growth was mopping up youth unemployment and the fall in unemployment was not a sign of improvement in the condition of the labour market for the young.

The rise in YTS has had a dual impact: raising economic activity (equation 1) and reducing unemployment. Both these factors reduce the *rate* of youth unemployment as it increases a denominator and reduces a numerator in the equation of the unemployment rate (equation 2).

$$1)\ \text{economic activity} = \frac{\underline{\text{YTS}} \pm \underline{\text{unemployed}} \pm \underline{\text{employed}}}{\text{total population}}$$

$$2)\ \text{unemployment rate} = \frac{\underline{\text{the}}\ \underline{\text{unemployed}}}{(\text{YTS} + \text{the unemployed} + \text{employed})}$$

The two formulae enable us to establish the impact of training schemes as a variable within the youth

population within the employment-unemployment-inactive schema. We can conclude that the treatment and growth of YTS has been a major factor in the levels of economic activity recorded amongst the young (equation 1). Moreover, several authors have drawn attention to the inadequacies of the YTS. They focus on the shift in emphasis from training to subsidising employers, the unclear relationship between YTS and enhancing job prospects and the impact on the measurement of unemployment.

> *There is no denying that the YTS and similar training programmes have had a considerable impact on measured unemployment but critics of the scheme have suggested that it merely disguises unemployment or, worse, has shifted the emphasis away from the acquisition of skills towards the social control of youth.*[45]

b) Old age: early retirement, falling participation and disability

As we have seen the second crucial aspect of the evolving life cycle of economic activity is the fall in participation by older workers, particularly older men. The phenomenon of early retirement has to be considered as a product of changing labour market conditions, as a government strategy, and as an employer strategy.

Firstly, it is important to stress that early retirement cannot simply be reduced to state policy. The scale and timing of the decline in participation does not correspond to the Job Release Scheme and various alterations to the national insurance, the measures implemented by the British government. In part then, early retirement derives from employer strategies and in the general rise in job loss since the late sixties. Redundancy and early retirement has been a strategy of laying people off. Research has shown that workers who choose early retirement after job loss do so because of labour market conditions, health and disability.[46] Redundancy and the depressed labour market for older workers is the crucial factor in `choosing' early retirement, particularly if structural considerations such as mobility, regional unemployment and manufacturing decline are accounted for,

> *.... The life span is being socially redefined in a more complex fashion, with a variety of routes being constructed to assist the individual's transition from full time work to retirement...We are talking about people who have left the labour force because of sickness or unemployment and who do not necessarily regard themselves - in a subjective sense - as "retired" until they become eligible for a state old-age pension.*[47]

The second aspect of the reduction of activity of older workers is early retirement through occupational pension schemes. Occupational pension schemes have increased from the sixties, but they have done so in an uneven

manner. Men rather than women, people with higher rather than lower incomes and those in the public rather than private sector are more likely to be covered by an occupational pension. According to an European Commission report, 51% of the UK workforce in 1987 were covered by an OPS.[48] The significance of these schemes is that they offer employers a method of restructuring through early retirement when there is not a comprehensive scheme established by the state. In some of the schemes early retirement is an option for employees but often this is at the expense of lower rates of pension.

Thirdly, we have to deal with government strategies. The 1965 Redundancies Payments Act and the 1977 Job Release Scheme are the two pieces of legislation that have had a direct bearing on older workers. The RPA was introduced as a means to facilitate restructuring by firms, helping workers find other jobs and making lay-offs more palatable to a working class movement that had built up strong shop stewards organisation. The JRS was in part developed in a similar spirit. It differed in two respects. Firstly, it was an early retirement scheme and, secondly, it had the additional criterion of replacement of the retiree by an unemployed person, since by that time the level of unemployment had become a political problem, alongside that of restructuring of

British industry. These two pieces of government labour market intervention went hand in hand with an increasing marginalisation of older workers. As Lascko and Phillipson put it,

> *..from the 1970s onward, older workers became increasingly marginalised in the labour force. This arose through: 1) their concentration , in many cases, in contracting industries; 2) the operation of particular schemes to promote worker redeployment (eg. the RPA) or replacement (eg. the JRS); 3) the pressure of mass unemployment; and 4) changing attitudes among government, business, trade unions and older people themselves.*[49]

The JRS was always selective, limited and, unlike other European early retirement schemes, not earnings related but flat rate. Thus it has not been as considerable a factor as early retirement schemes have been elsewhere in Europe. At its height, its take up rate was only 12% of those men eligible.

The JRS is unable to account for much of the decline in economic activity. However, other government policies have influenced the decisions of older workers and their labour market status.

The system of social security is a factor in the decisions that change people's economic activity status. Through social security, governments have a bearing upon the activity of older workers. Firstly, Invalidity

Benefit was made more attractive compared to Unemployment Benefit. In 1971, the two benefits were the same amount but by 1981 Invalidity Benefit was worth a third more than Unemployment Benefit, and Invalidity Benefit has the additional advantage of being paid to the age of 70. The numbers receiving Invalidity Benefit has increased steadily in this period. There has been an age related shift from the category of unemployment to the category of disability, as a result of changes in the social security system.

> *Although this is not official policy, an increasing number of older workers on invalidity benefit have been leaving the labour market early in recent years and a substantial part of the decrease in older men's activity rates is accounted for by the rise in the proportion of older men defining themselves as disabled.*[50]

The social security system also has a bearing on the activity of older workers in terms of unemployment provisions. Several changes have taken place that either took older workers off the claimant count or gave them incentives not to claim as unemployed. These changes reduce the claimant count statistics, according to the Unemployment Unit the cumulative effect on the claimant count was a reduction of 221,800 by late 1989.[51]

Figure 4.1: CHANGES IN REGISTERED UNEMPLOYMENT CRITERIA CONCERNING THE AGED

date	age group	change
Jul. 81	60+ men	those unemployed for over a year do not have to register as unemployed if eligible for Supplementary Benefit if do so gain long term rate
Apr. 83	60+ men	if not eligible to benefit no longer required to sign on in order to get National Insurance credits
Jun. 83	60+ men	allowed long term SB rate straight away
Oct. 88	55-60	lowers age limit for abatement of UB to occupational & personal pensioners

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source: Unemployment Unit Briefing, `Creative Accounting', Unemployment Unit, 1989

The question of early exit from the labour market for older workers is clarified by establishing the dimensions of the various routes of exit. As we have already shown the phenomenon is most pronounced when older men are considered. It is worth reiterating that the decline in activity for older men aged 60-64 from 1971 to 1990 was 28.5 percentage points. Several Government and employer policies are responsible for the decline: disability, state early retirement, social security system incentives, and occupational pensions. These are not necessarily causes, but may be different expressions of degenerating labour market conditions for older workers. The following figure shows the different benefit statuses of those aged 60-64 in 1983 and can give us some idea of the proportionality of different early exit routes in the 1980s as a whole.

Table 4.1: BENEFIT STATUS OF MEN AND WOMEN AGED 60-64 NOT IN EMPLOYMENT IN 1983

status		% of all men not in unemployment 60-64 years	% had an occupational pension
i)	unemployed	32	53
ii)	invalidity benefit	28	54
iii)	job release allowance	12	50
iv)	long term SB not registered as unemployed	6	--
v)	inactive occupational pensioners not included above	17	100
vi)	other (includes other SB and not registered as above)	6	--

source: Lascko and Phillipson from DHSS

The major routes out of the labour market are therefore disability and occupational pensions. The numbers of those unemployed after 1983 were reduced by the changes in the social security system of April and June 1983 and October 1988. Although this should have only altered the monthly claimant count figures, it would also possibly alter the individual's self-perception and therefore the labour force survey.

4.4 Unemployment and Disability

Certain studies have shown that in other countries definition of and social provision for the disabled has had a significant impact on the level of measured unemployment.[52] The question we have to ask ourselves then is, what is the relationship between unemployment and disability in Britain? The obvious starting point is to examine the measurement of and social security provision for the disabled. The basic measure of the disabled comes from registration under the terms of the 1944 and 1958 Disabled Persons (Employment) Acts. The problem with this measure is that it is does not cover all those who are disabled. In fact, it accounts for only about half the total.[53] Nevertheless, the registered disabled series does demonstrate a number of

interesting points. The first is that there is the extent to which the numbers of disabled seemed to have declined since the Second World War. In part this may be connected to the shifting balance between war and industrial injuries; registration was involuntary for many of those disabled by war. This may suggest that the registration process itself is stigmatising, or that there are fewer prospects of employment as a result of registration, with the changing conditions and attitudes to disabled people's employment. P.Townsend tried to explain the decline,

> *Yet to relate such an individualistic explanation to the uneven statistical decline is unconvincing ... Two factors deserve to be given very serious attention. One is the rise in unemployment itself at the end of the 1960s, again in the early 1970s and especially in the late 1970s. Registration for the purpose of securing employment must have seemed increasingly unproductive both to the people with disabilities and employment office staff. But another factor must have been the willingness of Disablement Resettlement Officers and other employment office staff to invite people to register.*[54]

Secondly, it is noticeable that unemployment figures among registered disabled people show greater stability than for the able bodied. Unemployment for disabled people is not subject to the same levels of cyclical pressure as amongst the able bodied. This may suggest that instead of unemployment, disabled people drop out of the labour market. It is not the case that disabled people's employment is less vulnerable during recession,

indeed it is generally more so: in the recession of 1979-81 the employment of the disabled fell by 33% compared 20% for the population as a whole.[55]

> *In times of high unemployment generally a disabled ...person who is unemployed is under particular pressure to join the administratively constructed disability category.*[56]

Finally, there seems to be a significant fall in the number of registered disabled people who are unemployed in 1984, coinciding with the replacement of the Non-Contributory Invalidity Benefit by the Severe Disability Allowance. In this case, revisions of the the social security system and shaping of the disability category combine to bring about a drop in the number unemployed.

It would therefore seem that the figures derived from the registration of disabled people are unsatisfactory social indicators for three reasons. Firstly, the long term falling numbers on the register, which probably reflects the large proportion of disabled people who prefer not to register. Secondly, the unemployment rate of those on the disability register and the weak cyclicality seems to contradict all the established research into disability and unemployed people. Thirdly, there is the change from the Non-Contributory Invalidity Pension to Severe Disability Allowance which seems to account for a significant drop in the number of

unemployed disabled people on the registered count.

Another source of statistical information on the relationship between disability and unemployment is from the benefit system which indicates the numbers on the various disability allowances. The treatment of the disabled is a complex matter as there are benefits that are either part of the National Insurance system (like Invalidity Benefit) or those supplementary to that system (like the Non-Contributory Invalidity Pension or the Severe Disability Allowance).[57] In addition, there are the specific allowances that disabled people can claim for which there are also figures (such as Mobility Allowance), these figures may be misleading as people can claim such allowances with or without the major benefits. The major benefit schemes are the Severe Disability Allowance, and Invalidity Benefit. These schemes tend to exclude those over retirement age as those receiving the state pension will be better off than those on an invalidity benefit scheme.

There has been a dramatic rise in numbers on both benefits since the mid-seventies, from a combined total of 615,000 in 1976-7 to 1,494,000 in 1989-90.[58] These numbers of people will not be included in claimant count figures of unemployment, whatever their status. The

reason for the rise in numbers can be accounted for by changing labour market conditions. An official report admitted as much,

> *There is no single explanation for these increases. The rise in the number of Invalidity Benefit recipients may have been influenced by the labour market. Recent research...found that the increase was more the result of people spending longer periods on benefit than on any increased propensity to claim.*[59]

So length of time in the benefit system, due to an exclusionary labour market, has forced many to opt for disability benefits. The change from NCIB to SDA reinforced this trend as coverage was purposefully increased.[60]

It is necessary to understand what the dynamics of disability as a social category. Here, a number of points need to be made. The assumption that there is a clear distinction between able-bodied and disabled people can be confusing. The scope and nature of disability is transformed by the life cycle. Thus, of those disabled living in private households, 58% are 65 years or over, and 80% of those living in `communal establishments'.[61] Though not exclusively, disability is linked to ageing, and is thus part of the future life cycle of the many people not disabled at present. The statistical representation tends to marginalise the experience of disability, the fact that it affects many

of us at the older end of the life cycle.

The age distribution of disability indicates that both disability and severity of disability increase significantly with ageing.[62] Thus, we might expect the interaction between disability and the labour market to be connected with falling rates of participation of older workers, whether this be due to disability pensions, or indirectly through early retirement. The treatment of disability in the labour market may be one of the principle reasons for this decline in economic activity.[63] Piachaud examined the relation between unemployment, retirement and disability between 1971 and 1981 and found,

> *..that disability, retirement and economic activity are significantly correlated with unemployment as defined. The evidence suggests that unemployment is not directly the cause of the increase in disability, indeed it seems probable that on a constant, objective definition the extent of disability has declined...Rather it would appear that the impact of worsening labour market conditions has seen an increase in the proportion of men seeking and settling for the status of 'disabled' ...Similarly, in relation to retirement, the numbers discouraged from economic activity as a result of labour market conditions..exceed the numbers added.*[64]

This leads us onto an investigation of the state of economic activity of disabled people. The Department of Employment regularly publishes data on the levels of registered disability and the number unemployed, but, as

we have discussed, this is an unreliable guide as only 20% of disabled men and 8% of disabled women are registered under the Disabled Persons Employment Act.[65] The OPCS survey of 1989 broke down disability according to economic activity.[66]

Economic activity of disabled people is a complex phenomenon. Firstly, there is the low level of employment of disabled people. Despite a government quota of three percent disabled people to be employed by large and medium employers, there is still widespread discrimination against disabled people.[67] There is a comparatively high level of unemployment amongst disabled people, though amongst women the figure is lower with high levels of women keeping house, which may indicate hidden unemployment. The OPCS survey explained the difficulty of measuring the economic activity of disabled people,

> *It should be emphasised that this analysis was based on the conventional definition of unemployed as being available for work and actively seeking it. For disabled adults in particular, changes in the definition make a significant difference to whether they are classified as unemployed or economically inactive, and consequently to estimates of rates of unemployment among disabled adults. This analysis shows that the overall unemployment rates for economically active men and women were 27% and 20% respectively. At the time the survey was carried out, about 11% of economically active men and 9% of economically active women were unemployed according to the GHS, with whose results this survey is most directly comparable.*[68]

Discouragement is probably a very important factor in understanding the economic activity of disabled people. The discouraged worker effect is something that has been well documented in general, but for four reasons it is likely to disproportionately affect disabled people: the age structure of disability, the longer lengths of time disabled people spend unemployed, discrimination from employers and lack of *suitable* jobs. Indeed, this last factor goes furthest in explaining the economic activity of disabled people for the **social organisation theory of disability.** If the organisation of work , the layout and equipment of workplaces and division of labour is generally established without reference to the disabled population, then it is likely that high levels of economic inactivity, discouragement and unemployment will result from the existing social organisation of work. Indeed, according the OPCS survey of disabled people, of those disabled men looking for work 94% were not working for lack of a *suitable* job, for those available but not looking the figure was 68% and for women the respective figures were 89% and 56%.[69]

Disability, then, is a category that requires careful investigation in the analysis of the measurement of unemployment. State policies and the social organisation of work have critical influence on the economic status

of disabled people. It is also argued that conventional norms in the conceptualisation of unemployment are ill suited to the lives of the disabled. The historical construction of the labour force is a process which has not by-passed disabled people. During periods of acute labour shortage, such as the Second War, efforts were made to integrate the disabled into the world of work,

> *After the dismally high rates of unemployment throughout the 1930s, the rates had fallen dramatically in the early 1940s. In a period of full employment, rising levels of war production and public readiness to introduce sweeping social reforms, people with disabilities were able to find jobs and both employers and the state were prepared to take initiatives to make it easier for them to do so.*[70]

However, with the onset of a prolonged period of slow growth and persistently high unemployment, as the Barber boom slid into the first recession of the seventies, the climate had quite clearly changed for the worse. Two decades of economic difficulties have fundamentally altered the position of disabled people.

> *One of the effects of the economic recession of the 1980s is that disabled people who were regarded as `essential manpower' forty years before are now increasingly seen as `surplus labour'.*[71]

4.5 Conclusions on the Measurement of Unemployment in Britain

Britain's unemployment figures have attracted considerable controversy. To a certain extent this reflects contending conceptualisations of unemployment. The New Right see unemployment as an anomaly of a clearing labour market, either caused by search processes or the unions. The left viewed unemployment as the result of economic policy, that the market left to its own devices had not the solution to.

Unemployment measurement in the UK can be seen to be the result of overlapping processes of social policy, state categorisation of the population and the evolution of the labour market. This has to be the deeper perspective for any discussion of political manipulation of the data. In particular four categories have reduced the level of measured unemployment.

Table 4.2: Problems in Unemployment Measurement

CATEGORY	PROBLEM FOR UNEMPLOYMENT MEASUREMENT
WOMEN	DEPENDENT-BLIND DEFINITIONS FAMILY-CENTRED BENEFIT SYSTEM
YOUTH	TRAINING SCHEMES
OLD AGE	EARLY RETIREMENT OCCUPATIONAL PENSION SCHEMES WIDER USE OF INVALIDITY BENEFIT JOB RELEASE SCHEME DISCOURAGEMENT
DISABILITY	INCREASED COVERAGE AND TAKE-UP OF INVALIDITY BENEFIT AND SEVERE DISABLEMENT ALLOWANCE DISCOURAGEMENT

Social policy has become increasing sophisticated with the stable development of the universal welfare state. In this way the state has a degree of control over the construction of unemployment that it never had before.[72] In the British case, disability, youth training, and the treatment of women has allowed the state to mould unemployment in its own interest.

In similar fashion, the state has become increasingly sophisticated as a statistical agency, with the increasing use of the superior survey method, which was only available through the 1931 census in the inter-war period, so it has greater control over the statistical process. This development indicates the limitations of simplistically talking of statistical manipulation alone. Increasingly accurate statistics are becoming available with increasing regularity through the Labour Force Survey. The state can shape unemployment through policy but it also needs to have an accurate picture of unemployment.

1.J.Rentoul,`Right lets start again: one, two', New Statesman, 1 August 1986, p.8

2.C.H.Feinstein, National Income, Expenditure, Output of the United Kingdom 1855-1965, Cambridge University Press, 1972.

3.J.A.Garraty, Unemployment in History, Harper & Row, 1978.

4.K.Kumar,`Unemployment as a problem in the development of industrial societies: the English experience', Sociological Review, vol. 32, no.2, May 1984.

5.**Political reviews:** G.Standing,`The hidden workless', New Society, 14 October 1971, p.716-19. J.B.Wood,`Out of work or out of figures', New Society, 20 April 1972. M.Meacher,`Scroungers or scapegoats?', New Statesman, 22 January 1971, p.105-6. W.W.Daniel,`The reality of unemployment', New Statesman, 19 September 1974, p.726-30. **Banking journals:** R.J.Myers,`International comparisons of unemployment', The Banker, vol.125, November 1975. B.J.O.,`Unemployment in Great Britain: issues behind the statistics', Barclays Review, no.50 November 1975. C.Sorrentino,`International unemployment figures compared', The Banker, vol.128 July 1978. M.Preston,`Why we need a new measurement', Lloyds Bank Review, vol.104, April 1972. **Newspapers:** F.Cairncross,`Figuring the jobless', Observer, 23 April 1972. P.Bauer,`Statistics on the dole', Observer, 11 March 1979. M.Hannington,`How many really out of work?', Daily Telegraph, 18 February 1976. T.Congdon,`What do the unemployment figures really mean?', Times, 27 March 1975. **Academic journals:** J.Hughes,`How should we measure unemployment?', British Journal of Industrial Relations, vol.13, November 1975. G.Standing, `The distribution of concealed unemployment in G.B.', British Journal of Industrial Relations, vol.10 July 1972. J.K.Bowers, `Unemployment statistics 1966-70', British Journal of Industrial Relations, vol.11 July 1973.

6.Anon.`Notes on manpower costs and unemployment statistics in major industrial countries', National Institute Economic Review May 1971

7.N.Bousanquet and G.Standing, op. cit. p.190.

8.J.Wood, How Much Unemployment ?, Institute of Economic Affairs, 1972.

9.Editorial,`The sharp shock of truth', Times, 6 October 1974, p.15. The speech is presented on p.14 of the same edition, which also carries a front page article on the speech.

10.The impact of the Unemployment Unit is demonstrated by the those articles referring to their alternative unemployment series. Each edition since 1982 of Labour Research has published the series. The organisation also figures in the following articles, which is by no means an exhaustive list. J.Rentoul,`Right lets start again: one, two', New Statesman, 1 August 1986. L.Elliot,`Dole queues spectre grows as recession looms', Guardian, 1 August 1990. L.Elliot,`Big jump in jobless figures', Guardian, 14 September 1990. C.H.,`Fewer out of work', Guardian, 15 March 1990. Anon.,`Calculating unemployment', Guardian, 26 February 1991. Not only the recession but also recovery in unemployment sparked controversy with the claim that the February and March 1993 figures for registered unemployment which witnessed a drop of 46,000 was less to do with people finding jobs than performance related pay in benefit offices, as they aimed to meet targets before the new financial year. P.Routledge,`Fall in jobless secret fiddle', The Sunday Observer, 2 May 1993, p.1

11.C.Johnson, Measuring the Economy: a guide to understanding official statistics, Penguin, 1988., p.88

12.Anon.,`Measures of unemployment: claimant count and the LFS', Employment Gazette, August 1989. For 1989 comparison see, L.Elliot,`Jobless total is 200,000 higher', Guardian, 10 March 1990. E.Chamberlain and E.Purdie,` The quarterly LFS- a new dimension in labour market statistics', Employment Gazette, October 1992. The quarterly LFS was introduced as an improvement on annual data with the hope that this would deflect criticism from the CC. It has even been suggested that the quarterly LFS will replace the CC. This would however have the effect of cutting the number of times that the unemployment figures were announced officially and these figures would be less up to date. At present unemployment figures makes the headlines on a monthly basis if the CC were dropped these obvious opportunities for criticism would go. The first Labour Force Survey Quarterly Bulletin, for spring 1992 came out on 17 September 1992. In spring 1992 850,000 were on the claimant count but not ILO unemployed, 890,000 were ILO unemployed but not on the claimant count.

13.C.Johnson, op. cit., p.86.

14.H.McLeish,`Unemployment under the Conservatives - miracle or mirage?' Labour Market Briefing, no.2, Labour Party, July 1990.

15.ibid.

16.The following articles deal with McLeish's article

again it is not an exhaustive list, P.Wintour,`Labour claims jobs miracle is a carefully concealed fraud', Guardian, 12 July 1990. K.Harper,`Million jobless lost from tally', Guardian, 8 June 1990. K.Harper,`Where have all the unemployed gone', 8 June 1990.

17.R.Waterhouse,`Moves to monitor government use of statistics',Independent, 11 October 1989, p.3.

18. M.Daley,` 1980s a decade of growth of enterprise', Employment Gazette, March 1991. In Autumn 1992 the LFS self-employment figure was 3,091,000; 972,000 had a second job. `LFS help-line', Employment Gazette, May 1993.

19.quoted in C.Weston and K.Harper,`Plan for cutting long-term jobless count', Guardian, 25 February 1991

20.McLeish, op. cit.

21.M.White and J.Lakey, The Restart Effect, Policy Studies Institute, 1992. Anon.,`The Restart Effect', Employment Gazette, October 1992.

> *`It seems that the Restart effect is not one type of effect but rather a number of small effects which accumulate to produce the overall effect. Restart achieves its results by increasing movement into both jobs and ET or other training programmes and, in the short-term only, into non-claimant status'.*

22.quoted in R.Waterhouse,`Report criticising government use of figures buried', Independent, 26 October 1989.

23.K.Marx, Capital: a Critique of Political Economy, Volume 1 , Penguin, 1976.

24.V.Beechey,`Some notes on female wage labour in capitalist production', Capital and Class, no.3, 1977. F.Anthias,`Women and the reserve army of labour: a critique of Veronica Beechey', Capital and Class, no.10, 1980. Three examples clearly fit the reserve army or secondary labour market thesis. Firstly, it corresponds to the experience of the First World War (and to a lesser extent the Second).A.S.Milward, War, Economy and Society 1939-45, Penguin, 1987. In the Second World War, the situation was thus according to Milward,

> *`In no country did women provide so large a part of this increase in employment as in the UK. 80% of the additional labour force in 1939 to 1943 consisted of women who had previously not been in employment or had been housewives - two categories which economists and government statisticians have conspired to treat the same. About two and a half million workers came from `non-industrial*

classes', mainly housewives and domestic servants, into industrial employment.' (p.219)

Secondly, according to Therborn, certain industrialised nations responded to the crisis of the seventies by using women as an industrial reserve. This could be measured in two ways, the relative levels of unemployment and relative changes in participation rates. In Italy, Belgium and France levels of unemployment for women were far higher than the figure for men. In Italy and Switzerland, the differential between male-female participation rates widened from 1975-83. He described these countries as female exclusivist unemployment countries. G.Therborn, Why are some peoples more unemployed than others?, Verso, 1986. The third example is in Eastern Europe where female participation was internationally high and unemployment is now rising as a result of the economic transition in which exclusionary policies are being applied to women in the labour market.

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claimant count and LFS', Employment Gazette, July 1992. J.Lawlor, op. cit.. Statistical Services Division (Department of Employment),` `Measures of unemployment: the claimant count and the LFS', Employment Gazette, October 1990. Anon.,``Measures of unemployment: the claimant count and the LFS', Employment Gazette, August 1989. Anon.,``Measures of unemployment and characteristics of the unemployed', Employment Gazette, October 1988.

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34. J.Millar,`Social security, equality and women in the UK', Policy and Politics, vol.17, no.4, 1989

35. Unemployment Unit, op. cit.

36.J.Lawlor, op. cit.

37.ibid.

38.Gary Watson,`Hours of work in GB and Europe', Employment Gazette, November 1992.

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43.Training Statistics 1990, HMSO, 1990.

44.ibid.

45.C.Hasluck, Urban Unemployment, Longman, 1985, p.155

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Compared to Previous Net Earnings, Commission of the European Communities, 1987.

49.Lascko, op. cit.,p.227. The full time coverage of JRS beginning in 1977 reached its peak in 1984 when 88,200.

50.ibid., p.234

51.Unemployment Unit, op. cit.

52.as is discussed in the previous chapter. The case of the Netherlands is examined in P. van Loo,`Reviewing Dutch social security provisions, with special reference to unemployment and disability',in M.Pfaff, Social Security, Unemployment and Premature Retirement, International Social Security Association, 1985.

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55.C.Glendenning,`Losing ground: social policy and disabled people in Great Britain, 1980-90', Disability, Handicap, and Society, vol.6, no.1, 1991.

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65.J.Martin et al, op. cit.

66.ibid.

67.Figures for levels of employment of disabled people in public employment are periodically published by the Employment Gazette: as Anon.,`Disabled employed employees in the public sector', Employment Gazette, vol.98, no.2, 1990. Only nine prosecutions have taken place since the introduction of the Act in 1944, with a maximum penalty of £100, even government employment does not meet the quota. For an account of discrimination in employment, E.Fry, An Equal Chance For the Disabled, Spastics Society, 1986. P.Graham, A.Jordan, B.Lamb, An Equal Chance? Or No Chance?, Spastics Society, 1990.

68.J.Martin et al, op. cit., p.74.

69.ibid.

70.Townsend, op. cit., p.53.

71.D.E.Gladstone,`Disabled people and employment', Social Policy and Administration, vol.19, no.2, 1985, p.103-4.

72.This can be demonstrated by comparing the registered unemployment figures of the inter-war period and the claimant count of the 1980s. Both were administrative counts but they reacted quite differently to rising unemployment. In the inter-war period there sharp revisions in the registered count due to the institutional instability of unemployment benefits (e.g. major crises of 1931 and 1935). As a result there was no clear or consistent direction of the revisions to the count. By the 1980s there was greater institutional control and the revisions to the count were all, except in one minor case, downward revisions. The changes are detailed in Unemployment Unit, op. cit. and Abstract of British Labour Statistics 1880-1971, Department of Employment, 1971.

Chapter Five : The Measurement of Unemployment in France

The emergence of unemployment in France and its statistical measurement contrasts with that of Britain. It would be incorrect to assume that the lessons of investigating British unemployment measurement can be automatically imposed upon any industrial nation. Further country-specific studies are required. This will firstly involve a detailed investigation of the French case. In several ways, the British case is not a universal, but a unique model, the first to tread the path of industrial revolution, modernisation and rural exodus, and the first to experience tendencies of relative decline in industrial nationhood.

> *The British experience of industrialisation was in many ways atypical not only of recent experience in the Third World but also of European experience in the nineteenth century.*[1]

France was selected for a number of reasons. It has a developed liberal democratic political culture, with a singular political history. This creates the climate for statistical controversies. It is an industrially developed country, but with a pattern of development which has been the subject of interest for economic and social historians. French processes of industrialisation, so crucial to the historical concreteness of unemployment, differed from the British case in terms of timing, pattern and degree. The effects of the long

post-war boom and subsequent crisis were experienced by both Britain and France, but beneath the similarities very important differences can be determined. Several of the crucial non-industrial variables in the process of unemployment measurement do not correspond to the British model. State institutions, traditions and policy have a history in France distinct from those in Britain. The development of the welfare state and social policy has taken different trajectories. State involvement in industry and planning is different in both countries. In France there were higher levels of state ownership and the French state formulated a more developed strategy of `indicative planning' and `national champions'. Post-war government was also of a different political complexion, with a long period of right-wing rule being replaced by left wing rule in the 1980s. For all these reasons France commands attention in its own right and our case study is intended to understand the extent to which we should generalise or limit conclusions drawn from the British study.

Our particular interest lies with the production of unemployment statistics, which takes place within a general framework of labour force concepts. In order to understand this production we have to situate it with political conflict, the process of social and economic development and the present economic crisis.

Statistical processes have to respond to a labour market in transition, which has brought about a `crisis of representation'. France has undergone a transformation in the composition of its labour force since the sixties. Female labour, migration, and welfare institutions have experienced important changes. Certain key sectors of industry have experienced decline while others, especially certain service industries, have expanded. More profoundly, from the mid seventies, the major economies of Western Europe experienced economic sluggishness, lower productivity growth, higher unemployment, and slower growth in GNP, that contrasts so sharply the golden years of the post-war boom.[2]

> *France stands out as the major OECD country which experienced the longest and largest uninterrupted rise in unemployment after the first oil price shock, with a peak of over 10% recorded in 1987... There has been a renewed rise in unemployment since the end of 1990. The nation also suffers from relatively severe problems of long-term, youth and female unemployment.*[3]

Our task, therefore, is to determine to what extent statistics and statistical definitions have consistently charted this changing reality.

5.1 Political Controversies over Unemployment Measurement in France

France is no exception to the major controversy that has surrounded unemployment in Western Europe since the 1970s. Ideologically, the French controversy arose out of the breakdown in the post-war Keynesian consensus. On a technical level it has been aggravated by the duplication of tasks by various institutions, especially with the establishment of the Agence National pour L'Emploi (ANPE) 1967-73 and the Employment division of INSEE at the same time. Materially, it has been more rooted in a radical transformation in labour market conditions in France.

The issue of the true level of unemployment surfaced in the early 1970s.

> *The debate became heated in the 1970s, particularly after 1974, it involved trade unions, and employers and professional associations. The evolution of the number of unemployed constituted a strategic indicator for all sides, playing an important role in the general conflicts. Basically, the employers adopted a minimalist approach, questioning the category itself and estimating, from a very restrictive critique of official figures, different sub-categories. The core principle was that unemployment was extremely heterogeneous. The unions took the opposite, rather maximalist, perspective. They supported, to a greater or lesser extent, unity of the phenomenon of unemployment. They used official figures and multiplied them by a corrective coefficient, which varied according to each organisation.*[4]

For example, P.Cames in L'Humanite, the French Communist Party's daily newspaper, challenged the official figures of registered unemployment. Cames proposed that these should be multiplied by a coefficient of 1.65 in order to revise the registered unemployment figures in line with the data produced by the preceding census.[5] By 1972 the proliferation of unemployment measurement methodologies prompted M.Fahy to outline and calculate the contending approaches for July of that year. The figures produced showed a startling divergence, as low as 143,600 at one extreme or as high as 820,000 at the other.[6] In part, as a recourse to a neutral arbiter in order to escape these arguments, the ILO definition was adopted for the Labour Force Survey from 1975 onwards.

The right-wing Prime Minister Raymond Barre entered the fray in the late 1970s. He criticised the ILO measure of unemployment as, according to his analysis, it exaggerated the levels of unemployment by including people who were not genuinely seeking work. Barre, like Keith Joseph in Britain, preferred a restricted notion of unemployment, what he dubbed `real jobseekers'.[7] In a speech at the ILO, he dismissed comparisons with the 1930s, as unemployment was not affecting adult male heads of household to the same extent, a formulation

which paralleled that being made by John Wood in Britain.[8] The ideological development in Britain of a left and right critique of unemployment measurement, therefore, had their French counterparts; Joseph and Barre, Cames and Standing were not simply parallels in form but also, at least partially, in the substance of their arguments. Thus, similar notions of falsely unemployed or scroungers were connected to the right critique, unregistered unemployment to that of the left.

But by the early eighties, the source and nature of the controversies were turned on their head. The focus of debate was redirected to a political controversy in which roles had been reversed compared to the UK: a left government defending unemployment figures against a different critique coming from the right, arguing for an extended notion of measured unemployment.

This debate was made more complex still by duplication of technical statistical tasks, and contradictory results by different state institutions.[9] Whilst the official statistical institute, INSEE and the Employment Department disagreed on the level of unemployment, INSEE were quarrelling with L'Union National Interprofession-elle pour L'Emploi dans L'Industrie et Commerce (UNEDIC), which manages unemployment insurance payments,

over the size of the non-agricultural retail sector and the level of employment.

> *Employment statistics have gone mad, doubly so, if we take into account the long running divergence between INSEE and UNEDIC which, each quarter, publish estimations of the evolution of the labour force without any relation to one another.*[10]

On the political level, public controversy continued as Lionel Stoleru, a former Barrist minister, published the Association de Recherches Internationales Economiques (ARIES) figure of `real unemployment' which added some hundreds of thousands to the official figure. As `real unemployment' was greater than official measured unemployment of the Mitterand government, so the simple left-right division in the argument became blurred. In the 1980s, in France, therefore, an open polemic raged over employment and unemployment statistics.

This is certainly not without historical precedent.[11] And, for those who expected controversy to vanish with technical improvements of the mid-nineteen eighties, they had to quickly rethink. As Alain LeBaude pointed out, successive Ministers for Employment and Social Affairs have been plagued by the same problem,

> *....After Michel Delebarre, the period of Lionel Stoleru's accusation, after Phillipe Seguin, who was forced to call for a report from Edmond Malinvaud, the former head of INSEE, Jean-Pierre Soisson is in turn confronted by the weakness of*

statistics. Again we reproach statisticians for not knowing how to give account of the situation, of lacking credibility and, in the present case, of robbing the government of irrefutable proof of its success in the field of employment. [12]

5.2 Institutional Frameworks and Contending Methodologies of French Unemployment Measurement

The production of official statistics is in France, as elsewhere, a socio-historical process affected by changes in technology, the economy and the state. However, the process is not an even-paced ascent to a plateau where everything is measured, understood, and planned; it is a journey fraught with difficulties, choices and contradictions. E.Malinvaud, former head of L'Institute National de la Statistique et des Etudes Economiques (INSEE), the French statistical office, had no such illusions. He described statistical measurement since 1945 thus,

It has benefited from investment and technical innovations in the manipulation of information (much of which is behind the times). Statistical output has grown considerably in quantity and quality in the last forty years. However this growth is not sufficient to respond to the demand which develops apace. And two reasons, in particular, for dissatisfaction remain: the accuracy of much of the statistics is not what it is expected to be, and, the public statistical service is incapable of providing the information so strongly demanded. [13]

In order to establish a deeper understanding of the French unemployment controversies, it is therefore, necessary to look in greater detail at the substance of these problems, the state institutional frameworks which duplicate measurement, and the contending methodologies of unemployment measurement.

The three major components of labour force statistics, active population, employment and unemployment are not uniformly derived from the same source and definitions in France. [14]

French unemployment statistics are also subject to the conflicting requirements of frequency, accuracy and international comparability. The `Enquete Emploi' (labour force survey) was first conducted in the 1950s and were taken annually from the beginning of the 1960s. Since 1975, the annual labour force survey has measured unemployment according to ILO recommendations.[15] With the creation of the Agence Nationale Pour l'Emploi more regular statistics were published, these measure those signing on with the ANPE offices. The resulting figures were initially known as the `unsuccessful jobseekers', Demandeurs d'Emploi non Satisfaits (DENS), which was altered to the `job seekers at the end of the month' or Demandeurs d'Emploi en Fin de Mois (DEFM).[16] Since

1985 the ANPE count has been recorded by a computerised postal response system. New problems accompanied GIDE (Gestion Informatique des Demandeurs d'Emploi), as it is called. It is subject to the vagarities of the post, the cut off date for receipt of responses can therefore mean fluctuations in the percentages that have returned the forms, the initial average rate being 94%. This can also distort the figures for entries and exits on and off the count. An example of this is how postal disputes affected the count in 1985.[17]

The problem with these figures is that they only count the people actually signing on, this as with so many of the problems is repeated in other countries. For example, Marchand and Thelot demonstrated that in March 1985, 385,000 people who were unemployed according to the ILO definition, were not registered with the ANPE.[19]

Administrative claimant counts cannot, strictly speaking, give precise unemployment figures as this is not what they count, they give an accurate number of those signed on at unemployment offices, those, for example, who are not eligible for benefit are unlikely, therefore, to register. Malinvaud pointed out these deficiencies and the resulting frustrations of statisticians,

> *Figures derived from administrative functions rarely deal with precisely what statisticians aim to measure. They are conceived essentially for bureaucratic purposes. Therefore, they are more or less adequate. This is true of France where, statisticians often intervene naively according to their needs when an administrative operation is conceived or reformed. Sights should be set on the new law or regulation, on organisational competence not on the economic and social information one desires.*[19]

However, it may be dangerous to accept Malinvaud's conclusions, as it has been argued that administrative requirements are a convenient cover for ministers who manipulate statistics in their own interests. Both in Britain and France administrative figures are used as indicators of unemployment and this has been the source of much controversy on both sides of the channel. For example, in the 1970s the French Communist Party rounded on the government for their use of the registered figures which were consistently lower than ILO data.[20] Registered unemployment figures do, however, have the real advantage of being able to show short-term shifts in the scale of unemployment. This contradiction has allowed confusion to develop around the accuracy and meaning of the figures. This confusion is encouraged by the media and not helped by changes in the law and regulations concerning eligibility.

The DEFM and ILO unemployment figures often differ

significantly as to the rate of growth of unemployment. Indeed, whilst over the nine years 1979-88 DEFM rose by 190% the ILO figure did so only by 179%. During the seventies the ILO figure was greater than the DEFM; this relationship was reversed in the 1980s. From 1982-86 there was a more or less stable relationship between the two, but then the gap between the two series started widening.[21] Explaining divergences in these two unemployment series is a difficult and uncertain business. A report was commissioned by Mr. Seguin the Minister for Employment and Social Affairs. The report, E.Malinvaud's `On the Statistics of Employment and Unemployment', attempted to explain these divergences as errors in individual figures; this was unconvincing. Thus, according to Malinvaud, the DEFM exaggerated the 1982-83 levels of unemployment, whilst this may have been the case, the `isolated error' scenario does not provide a general explanation for recurrent controversy.[22] The knowledge that the two series are distinguished by their ability to measure different variables of the active population (for example, ILO measure is far better at recording women's unemployment) should lead us away from an `isolated error' explanation of divergences in long-run analysis.

As the Malinvaud report was unable to resolve the confusion arising from the two series, the Government

felt it necessary to commission another report, to explain the widening gap between the two measures in the late 1980s. The proportion of the ILO figure to DEFM categories 1, 2, & 3 had fallen from 90.8% in March 1986 to 78.0% in January 1990. The Lucas-Dubois report explained the break down in the relationship between the two series as due to the tighter `seeking work' criterion of the ILO measure.[23] However, the recommendations of this report very much mirrored those of its predecessor.

The picture is further complicated when the official statistics are challenged from outside official channels. This was the case with the ARIES series produced by Lionel Stoleru between 1982 and 1986. His concern was that the creation, massive expansion and statistical treatment of various state schemes and policies had been used to distort true levels of unemployment. These policies had taken many out of the active population involuntarily. Hence, he argued that those forced into early retirement and that extended schooling should be considered unemployed. His argument went further, to criticise the notion of a strict dichotomy between employment and unemployment in the active population, as it no longer fitted the reality. He therefore, established a further category of under-employment for those on training schemes.[24] An extended

definition of unemployment was taken up by others, for example, Andre Bergeron, head of the union Force Ouvriere. In March 1985 when official unemployment stood at around 2.4 million unemployed, he considered that, ` We have easily overtaken the 3 million unemployed mark'.[25]

Continuing criticism of the official figures from the unions, the press and various political parties had undermined their credibility. The existence of the alternative series had acted as a focus for critics normally at odds with each other. Seemingly, the matter was resolved by E.Malinvaud's report, having consulted the ILO and Stoleru, Malinvaud concluded that the ARIES "real" unemployment was unsatisfactory and that unemployment statistics had to comply to ILO definitions. Stoleru withdrew the series. The ILO was therefore able to legitimise the official figures when challenged by an unofficial series.

Malinvaud did call for certain cosmetic changes.[26] Nevertheless, Malinvaud's report was essentially an unapologetic defence of unemployment statistics. The following quotation demonstrates this and the isolated error approach he adopted.

> *In sum, the public lack of confidence is not justified, even if the experts can sight such and*

> *such a case when some statistic or other underwent a small temporary deviation in relation to what it was measuring.*[27]

Here we see two interesting factors, with the shape and social construction of statistics reinforcing one another. First, the authority of the head of INSEE resolved the question, not only due to his academic authority but also because of the legitimacy derived from the monopoly of statistical production by the state. Stoleru, a former Finance minister of the Barre government, based his series on a manipulation of official figures and his declared objective was also for the state to take up his redefinition of unemployment. He was, therefore, reliant on official statistics in two senses. The second factor was the role of the ILO in backing up French official statistics. International comparability is deemed a necessity in a world economy whose financial and manufacturing systems are as integrated as present. Both institutions rely on being seen as neutral, disinterested and passive parties in the process of unemployment measurement. Ultimately, the twin monopolies of the state in statistical production and of international institutions in definition were, therefore, the Achilles heel of Stoleru and other government critics; one which they seemed to have no effective answer to.

5.3 Understanding Unemployment in France

In chapter two the historical development of unemployment was examined. Our conclusion was that the phenomenon of unemployment arose out of certain features of modern economic and social development. In brief modern economic development was based on three interconnected processes. The first aspect of development is the shift from a rural, agriculturally based society to an industrial urban one. Secondly, production became commodified; production for one's own consumption was replaced by production for the market. Thirdly, labour itself became increasingly commodified, with the expansion of wage-labour.

The totality of unemployment in France can only be understood if our starting point is the particular way this process of development took place in the French context. This process has been subject to recent reinterpretation. The question of French development is an important point of comparison with British development, indeed, it is part of the very value in using France as a subject of investigation.

Traditionally, France has been viewed as a late or retarded developer in nineteenth century Western Europe,

particularly when compared to Britain and Germany. This perspective was very much based on a stage/diffusion approach, where industrialisation spread in the image of the industrial pioneer, Britain. Stages of economic growth and the leading sectors are assumed to follow the British model. However, this approach has been found to be potentially flawed. Britain is not typical in terms of economic development. Industrial productivity growth was slow outside a handful of leading sectors, that is, cotton, coal, iron and steel. Economic growth was unspectacular. However, structural change was dramatic with the pattern, scale and timing in the relative shift of labour from agriculture, being historically unique. Therefore, to methodologically impose the British model upon French social and economic history is misleading. If cotton, coal, iron and steel and structural change were seen as indices of economic development then France appeared relatively backward. However, if the basket of indicators was changed and finished industrial goods and demographic deceleration, i.e. the characteristics of French nineteenth century development, were be seen as key aspects of modernisation then, as Roehl has argued, France would be seen as the first industrial nation.[29]

The French trajectory of capitalist development is distinct to Britain's and this distinctness can point to some of the features of unemployment in France

historically. Our starting point has to be the broadest comparisons of French and British performance. From the point of view of economic growth, Britain did not significantly outstrip France in the nineteenth century. When other general performance indicators of the two countries are examined, important differences appear.

Firstly, there is the performance of the agricultural sector. In Britain, agriculture had far higher productivity, it had greater proportions of capital (i.e. principally livestock) and land (which was of a higher quality) to labour. The higher level of agricultural productivity was the result of two connected processes. On the one hand, ownership of land was far more concentrated which allowed the creation of an investible surplus and on the other hand, commodification of agricultural produce was extended due to the separation of increasing numbers of British people from the land as a means of livelihood. P.O'Brien and C.Keyder described this process. In France,

> *On each farm, output remained more diversified because smaller units of production devoted resources to meeting their own demands for food and failed to take full advantage of opportunities for specialisation associated with production for the market. Family farms also retained under-employed labour, while in Britain `capitalist' agriculture was compelled by market forces (and the new Poor Law of 1834) to release or expel redundant labour. In France, the retention of labour in the countryside implied extensive cultivation of sub-marginal land of a quality that*

> *in Britain had long since been abandoned to rough pasture.*[30]

Secondly, the industrial sector gives us some important pointers to the pattern of French development. Between 1815 and 1914 there is little difference in industrial productivity in Britain and France.[31] Both countries adopted specialised patterns of industrial development, which followed relative comparative advantage, through factor endowments and factor supply. The British path was characterised by high labour supply, coal endowments, and good access to markets of consumer demand. Britain's specialisation followed a pattern of cotton, coal, metallurgy, and particularly low wage/skill semi-manufactured goods, factory production was more pronounced than in France. In France more emphasis lay with finished manufactures, the workshop, high wage/skill areas, such as engineering, leather goods, silk/wool, building. The idea of a unique pattern of development was challenged by Zeitlin who argued that there existed alternatives to the mass production/heavy industrialisation path of development.[32] As O'Brien and Keyder pointed out,

> *Concentration in some industrial histories on coal, iron and cotton textiles where labour productivity rose far more rapidly than in France diverts attention from the full range of industrial employment and tends to exaggerate differences in the rates of increase of productivity from British and French industry as a whole.*[33]

From this brief assessment of the path of French development, there are several points that can be made about the construction of unemployment in France.

If we are to reject the retarded development thesis, then this has implications for the timing, pattern and policy towards unemployment. There is no marked contrast in the timing of when unemployment was considered a problem in France compared to Britain. There are several criteria we can use to back this assertion up. Firstly, as we have noted elsewhere, the concern was first taken up by trade unions and the emerging working class movement in Britain. French trade unions also, in the course of the nineteenth century, established insurance for unemployed members. In some senses it could be argued that the French socialists were in advance of their British counterparts, with the establishment of the national workshops under the slogan of `the right to work' in the Revolution of 1848.[34] Secondly, pioneering social investigators of the new working class in both countries were aware of the problem from the middle decades of the nineteenth century.[35] Thirdly, the development of labour exchanges occurred in both countries around the turn of the century and France was more advanced in this respect than Britain.[36]

Although, unemployment was not substantially retarded by the French pattern of development, its dimensions and social content were different. This again results from the specificity of French economic development. The pattern of land ownership had implications for unemployment in France. As we have seen already, French agriculture was unlike British in that it had not experienced a similar level of concentration of ownership, capital accumulation, wage-labour or productivity. Thus, the rural exodus was stunted and the land retained large amounts of underemployment. The only way in which this underemployment, or if you like concealed unemployment, could be transformed into open unemployment would be through widespread farm bankruptcies. Additionally, the low birth rate meant that there was not the massive supply of labour for the industrial sector experienced in Britain. Also, the more rurally based nature of French industrialisation meant that the scope of open unemployment was limited in two ways. Firstly, rural industrialisation, cottage industry, the putting out system and even the small family workshop was able to conceal underemployment in the way in which a factory or mill was not. Secondly, families were able to combine agricultural and industrial pursuits; when industry is hit, activities were diverted into agriculture.

Therefore, the pattern of French development created unemployment at a similar time scale than that of Britain but its scope was more limited to that in Britain. The limited scope of French unemployment can be seen by long term comparisons of French and British unemployment. This situation existed right up until after the Second World War. Salais's examination of the 1930s links areas of high French unemployment to urbanisation/ industrialisation shows the importance of this.

In general, unemployment levels were much lower in France than Britain, the US or Germany. 1936 was the peak of interwar unemployment when, according to census figures, there were 860,000 unemployed (for registered figures the peak is only 470,000), which was not comparable to levels in the other countries mentioned which were much higher.[37] It would seem that this cannot be simply explained by greater resilience of the French economy during the 1930s. As Aldcroft demonstrated by several indicators, the French economy was very badly hit by recession.[38] The path of French development is part of the explanation as the Salais thesis suggested. Another part of the explanation is the expulsion of foreign workers.

> *France, which had eagerly welcomed foreign labour after the great war, turned its Service de la*

> *Main-Oeuvre Etrangere to the tasks of cancelling work permits and making sure that no foreigner held a job that a native Frenchman could fill. Between 1931 and 1933, more than half a million Poles, Spaniards, Italians, and other foreigners were repatriated.*[39]

Our analysis suggests that the French pattern of development gave rise to unemployment of a limited scope, but that the latter emerged as early as other early developing industrial nations. However, the persistence of the agricultural lag, though certainly true of the 1930s, had clearly disappeared by the emergence of mass unemployment in the late sixties/early seventies.

In order to account for this we have to identify the two major characteristics of French agriculture in the post-war period. Firstly, rural exodus profoundly transformed the weight of the agricultural sector within the active population. The agricultural sector withered, but this occurred far later than in the framework of British development.

The process combined these quantitative changes with qualitative ones. A concomitant transformation occurred in capital and land ratios to labour. There was a spectacular growth in productivity, the average size of farm has increased dramatically, the sector became more

capital intensive, and output has shifted to more productive areas of farming. However, the increase in productivity has added to pressures for a reduction in agricultural employment.

> *Even the most competitive farmers are, paradoxically, more vulnerable than in the past: agriculture is the sector where the amount of capital per head has increased the most, which goes hand in hand with accelerated debt ; the industrialisation of agriculture also translates into a very strong increase in intermediate consumption, which hardly reached 10% of value added in 1960, but a third in 1973. Farmers are therefore more and more sensitive to incidences of fluctuations in the rate of interest or of industrial prices relative to agricultural prices.*[40]

One dimension of the construction of measured unemployment is the historical process of industrial development. In this respect, France and Britain took different paths of development which had a crucial impact upon their levels of unemployment. In Britain, the demographic shift from agriculture, the commodification of agricultural activity and the uprooting of surplus agricultural population into wage-labour occurred exceptionally early and rapidly within the process of development. These aspects of development occurred far later in France, what we might call an agricultural lag was experienced, a lag which only worked itself out after the Second World War.

These conclusions have considerable implications for the historical comparison of British and French measured unemployment. But during the present crisis their significance has waned. Our focus has to shift then away from development factors to characteristics of a modern society which can affect the construction of measured unemployment, such as social policy.

5.4 Life-cycle and the Labour Market in France

We have seen that the life cycle and the labour market interact in particular ways which have significantly given rise to certain phenomenon which affect the measurement of unemployment. Analysis of the participation rates in France demonstrates that considerable changes have taken place in the composition and nature of the active population in this economy. Analysis of the life-cycle can allow us to explore the impact of various areas of social policy on the active population. It can also help point to the extent to which we are measuring like with like when looking at long-run comparisons of French unemployment data or international comparisons of recent unemployment data.

Study of the activity rates show that there are four major aspects of the evolution of the French labour force since the late nineteen sixties.

Firstly, male and female youth participation has declined significantly. Amongst young men (15-24 years) there has been a decline of 13.4% points, for young women 10.9% points (all figures for 1968-1989).

Secondly, the middle working years (25-54 years) saw a striking difference in the experience of men and women. Amongst men high levels of participation were stable during the period. For women there was a spectacular growth in participation. For women aged 25-49 years participation advanced from 47.5% to 73.0% (1968-89). This, however, was not the largest swing for a section of the labour force; that occurred amongst older workers.

Finally, then, there is the dramatic decline of older workers, which is more significant for men than women. Amongst men of 55-59 years, the fall in participation was 15.8% points, for those 60-64 years, 41.9% points. The decline was, respectively, of 1 and 17.7% points for women.

As in the British case, it is therefore necessary to investigate youth, old age and women within the life

cycle, to understand the particular impact that the evolution of the labour force has had on the measurement of unemployment in France. Furthermore, each of the key changes in the life-cycle of economic activity we have pointed out in France, were experienced in Britain.

a) Youth

Youth unemployment was identified as a particular problem as mass unemployment mushroomed across Western Europe in the 1970s.[41] The French government in the course of time was to develop measures to deal specifically with this problem. Youth unemployment rates in France have been roughly double the general unemployment rate since 1973. When the unemployment experience of various of the developed Western economies is studied, it becomes clear that France has a youth unemployment record worse than most comparable economies. The youth index, showing the relative problem of youth unemployment, in Table 5.1 calculates youth unemployment rate divided by the overall unemployment rates, indicating the extent to which youth unemployment is a *particular* problem.

Table 5.1: YOUTH UNEMPLOYMENT IN SELECTED OECD COUNTRIES 1973-1990

country	1973		1979		1987		1990	
	YU	YI	YU	YI	YU	YI	YU	YI
USA	9.9%	2.1	11.3%	1.9	11.7%	1.9	10.7%	2.0
Japan	2.3%	1.8	3.4%	1.6	5.2%	1.9	4.3%	2.0
Germany	0.9%	1.1	3.4%	1.1	8.1%	1.3	n/a	
France	4.0%	1.5	13.3%	2.3	23.0%	2.2	19.3%	2.2
UK	3.1%	1.0	10.3%	2.1	17.3%	1.7	8.1%	1.2
Italy	12.6%	2.0	25.6%	3.4	35.5%	3.3	31.4%	3.0
Canada	10.1%	1.8	12.9%	1.7	13.7%	1.6	12.8%	1.6

(YU= youth unemployment rate 15/6-25 years;
YI= YU / standardised unemployment rate)

source: OECD Economic Surveys: France 1991/2, OECD, 1992

Table 5.1 shows that both both Italy and France suffer from a high youth unemployment rate and a youth unemployment index.

In France, schemes would have meant large numbers of young people avoiding unemployment, or not being measured as unemployed. Indeed, the use of schemes has come under attack in other countries, notably in Britain where a critique of the relation of unemployment and various government schemes was used to undermine the employment record of the Conservatives in office.[42] The major schemes, with one exception, involved recategorising the unemployed as employed in their statistical treatment. But according to accepted definitions of unemployment this is quite legitimate. In France, as we have seen, youth schemes and education have been an aspect of the controversy of measured unemployment. The claims of Stoleru, union leaders and others, about the inadequacy of the unemployment figures, rested in part on the notion that schemes, rather than dealing with the problem, simply concealed the scale of the problem. Thus, Montelh and Morgensztern write in the boom of the late eighties of the relation between the youth training/education and unemployment as follows,

> *Because, even if the figures are encouraging, they should not conceal the truth. We mean the reduction is essentially caused by high rates of*

> *education. It does not prove the education system is really more efficient, but simply that faced with a lack of jobs, the education and training system thinks twice before getting rid of the young prematurely, families understand there is no future in the factory anyway.*[43]

The 1980s reshaped the activity of the youth. Existing patterns of education, employment, unemployment were restructured.

Hence, significant changes have taken place in the youth dimension of the life cycle. Educational participation has risen considerably, with the effect of taking a large number out of the active population, that might have otherwise have added to out of work figures. Although the French government in the mid-eighties introduced a scheme to extend schooling, this in itself is unable to account for the increase. In 1985-6 only 60,000 benefited from the scheme which was intended to improve youngsters' chances of work through new skills or qualifications.[44] To have some idea of the numbers involved in the increase of 12.8% in schooling from 1983-91, extrapolating from the table above, meant close to a million more 18-25 year olds students. When considered alongside the development and increase of various training and work experience schemes, it is clear that the youth unemployment rates are only able to tell half the story of a youth labour market, where

youth job opportunities have seriously deteriorated since the seventies. In fact, the expansion of schemes is very visible and integral to the controversies about unemployment. However, this is far less significant than the rise in those staying on in education, which is less visible and marginal to the political controversies.

Unassisted employment fell considerably. Much of this employment was on short-term contracts. As for youth schemes, one feature is that they have offered employers methods of avoiding employing young people at the level of the minimum wage (SMIC), either through state subsidies, social security contribution exemptions or simply allowing employers to pay a fixed portion of the minimum wage.[45] These measures expanded considerably in the course of the eighties.

> *Thanks to a significant expansion in targeted measures to combat youth unemployment between 1985 and 1987 (whose budgetary cost was 0.14% of GDP), the authorities managed to turn the tide, and combine with a pick-up in the trend to extended schooling and therefore delayed entry into the labour force, youth unemployment rates eased until 1989.*[46]

The extent to which the state attempted to reshape the category of youth in the labour market should not be underestimated. One indicator is the expansion of public labour market expenditure (a sizeable proportion of

which is youth measures). Spending in this area (in 1990 prices) rose from ff38.8 billion in 1973 to ff217.1 billion in 1990.[47] Secondly, there is the complex evolution of numerous different schemes. The third testimony to the stress put on youth measures are the stocks of the numbers on French schemes. Indeed, the stocks on training schemes tended to rise through most of the eighties, overtaking early retirement schemes in significance from the middle years of the decade. The recategorisation of young people, therefore, took place in both Britain and France. However, the recategorisation was more successful from the government perspective in Britain than in France. From the figures, youth unemployment does not seem to be the problem in Britain that it is in other countries. British measures, in particular making under eighteen year olds ineligible for benefits, are more consciously exclusionary than French measures.

b) Old Age

From early in the 1970s, the French government reacted to the rise of unemployment by a strategy that focused on older workers. They developed an early-exit system based around UNEDIC. Various preretirement schemes were introduced which swelled the numbers leaving the labour market, principally through the Unemployment Compensation Fund (UNEDIC), as such the role of the Old

Age Fund (FNE) withered, until the lowering of the retirement age.

> *The exploding number of guaranteed- income beneficiaries signalled a revolution. This scheme, soon the major early exit pathway, was reshaping the process of definitive exit. A new phase of life, called preretirement (preretraite), was now occurring for most wage earners in the private sector between the time they stopped working and the time they started receiving an old age pension. The unemployment Compensation Fund, whose duty was to compensate wage earners for short periods of joblessness, was assuming responsibility for covering jobless ageing workers for as long as five years or more.*[48]

In 1983, the retirement age on full pension was lowered from 65 to 60 years. France was the only OECD country to do this.

The combination of these various factors has resulted in the employment and activity rates for older workers having fallen more sharply than in most OECD countries. In France, early-exit is distinguished from the process in Britain, in that it is highly reliant on the state to organise the process.

Large numbers were drawn into the respective schemes. A number of conclusions can be drawn. Firstly, there is the massive expansion in preretirement arrangements from 1972, reaching its height in 1983, when 705,187 were involved. As Guillemard points out, this expansion

affected the unemployment figures and cushioned restructuring,

> *Since firms could get rid of old wage earners as "preretirees" rather than having to dismiss or lay-off younger workers who would be registered as unemployed, preretirement tended to slow the rising jobless rate.*[49]

Secondly, there are the policy changes, from UNEDIC funded preretirement to FNE funded, and the solidarity contracts to the lowering of the retirement age. Finally, the significance of preretirement, although undermined by the lowering of retirement in 1983, clearly remained at least into the late eighties. Under these circumstances the focus of early exit has been shifted to younger sections of the workforce, those aged 55-59 years.

So state policy has played a crucial role in the shaping of the active population since the recession of the mid-seventies. The overall effect is that the activity rates at the younger and older ends of the labour market have declined significantly, establishing large numbers in categories (training scheme, early retirement) that stand outside measured unemployment. It is true that France is certainly not exceptional in this respect, but, some of the measures by which it has achieved these ends, such as the lowering of the retirement age, are.

Even though a similar phenomenon occurred in Britain, it has taken a significantly different form in France. Principally, this is because of the extent to which the state is responsible for early retirement (lowering the retirement age and state early retirement schemes). In Britain the JRS does not compare to measures undertaken in France, although private and company pension schemes have to a large extent filled the gap. Secondly, French social policy does not significantly use the category of disability to exclude people from the labour market in a way that the British government has.

However, in Britain and France, the scale of the recategorisation fuels the controversies that surround measured unemployment.

The scale of French labour market intervention of this nature is significant in several respects. Firstly, the obvious point that needs to be made is the effect upon measured unemployment, which which would be difficult to estimate, but nevertheless considerable. Secondly, there is the comparative aspect, many countries, including Britain have engaged in such strategies, however, France in 1989 spent 2.65% of her GDP on the labour market, a higher proportion than any surveyed OECD nation, the share of active measures within this was lower than all

other nations surveyed.[50] Consequently, the way in which the French state's labour market programmes affect measured unemployment is specific: almost exceptionally large-scale overwhelmingly passive labour market policies, principally early retirement and youth training taking people out of the category of unemployment.

5.5 Women and the French Labour Market

One of the most striking features of many of the mature industrial economies over the last decades has been the growth in female employment.[51] The feminisation of the labour market has been linked by some to the growth of certain specific forms of work relations, part-time, non-union, low pay. Increasing women's employment has been a feature of many of the industrialised nations. But in most cases it is not simply a growth in the employment of women but also a growth in the unemployment of women. The amount of women in the active population does present serious conceptual difficulties.[52] Women carrying out domestic work, or caring for the sick and elderly will not be considered as economically active.

The proportion of women in civilian employment

throughout the twelve European partners has risen from 35.6% in 1977 to 38.3% in 1986 a rise of nearly 4.5 million. However, there are important differences between the various states. They can effectively be broken into two categories. Firstly, there are the lower female participation countries, Spain, Greece, Ireland and Italy (all <= 34%). Several factors could explain this the lack of developed welfare and nursery provision, areas of relatively low level of industrialisation, or cultural and religious reasons. The higher female participation (>38%) occurs in Denmark, UK, France, Portugal, W.Germany, Belgium. With the exception of Portugal, these are the more developed nations in terms of industry and welfare provision.

Several authors have argued the importance of welfare institutions, especially of nursery provision, to the rate and pattern of women's employment. Garney, for example, points out that if we compare the employment of women in Britain and France, the pattern that emerges can be traced to the differences in nursery and maternity provision.[53] In France women are more likely to stay in the labour market up to their third child, they were more likely to hold full as opposed to part-time employment, their jobs were less characterised by precariousness than their British sisters.

Due to inferior welfare provision for women in Britain, more were forced into part-time work or forced to leave the labour market because of child rearing. In Finland and Sweden, there is little difference between male and female participation rates, due to highly developed social legislation and extensive provision for maternal and paternal leave. Thus, the nature of the family and the degree to which child rearing is socialised impinges on the nature of women's work. Beechey goes further still in the comparison between Britain and France, she argued that not only has provision determined the pattern of women's employment between the two countries but also can give us an insight into the different ways in which female unemployment has developed in both countries. This explains how male unemployment is higher than women's in Britain but in France the opposite is the case.

> *Ironically, it seems, women in Britain have been protected (relatively speaking) against having higher levels of unemployment than men because of the precarious position in which they find themselves in the labour market. They are far more likely to be in part-time jobs which are insecure and unprotected, or to be in casualised forms of jobs. The point is that in France the flipside of the fact that those women who have jobs enjoy more security and protection is that it is very difficult for women to get jobs in the first place. The labour market is very rigid.*[54]

In France then, women have suffered from higher unemployment than men in absolute terms for most of the

time since the early seventies. If we take into account men's higher activity, the position of women is further underlined; women have been hit disproportionately by mass unemployment in France. In this respect women in France have come off worse than their British counterparts. However, the figures are not uniform as can be seen by the comparison of the LFS and registered figures. The LFS shows higher women's shares of unemployment than the registered figures. Partially this is connected to the disincentives for women registering, principally, the eligibility for benefit being based around the notion of the family, with a male head of household. In the 1989 LFS, of 811,000 unemployed women who classified themselves as spouse to a head of household, only 315,000 received benefits.[55] Where this is concerned the British picture, as has been described in chapter 3, mirrors the French. In countries such as France with higher levels of women's unemployment (relative to men), greater scope exists for this factor to distort registered unemployment figures.

The debate around women's unemployment has often revolved around the reserve army of labour thesis.[56] The reserve army thesis cannot be applied crudely to the French experience. However, it is useful in order to draw out the conclusions of the differential aspects of women's unemployment experience in France. Firstly, the

levels of women's unemployment have been strikingly high relative to their share in the active population as a whole and relative to male unemployment. Women have suffered unemployment disproportionately at a time of crisis, as the thesis would suggest. However, in two senses the reserve army thesis does not describe the experience in the past two decades. Firstly, taking the LFS figures, women have not disappeared back into the home, i.e. become inactive in terms of labour market categories or a latent reserve in terms of the thesis; they have become openly unemployed. Certain women have fallen out of the active population but this is connected to the features of youth and older worker participation. As an independent variable women's activity has been rising. Secondly, women's economic activity is not simply connected to the swing of economic growth but involves other aspects such as the sexual division of labour and the sectorial and wage structures, reproductive and maternity rights. This increasing complexity of women's work has made simple expulsion counter-productive.

5.6 Conclusions on French Unemployment Measurement: some similarities but significant differences from Britain

The conclusions that should be drawn from the French study lie on two levels.

At the most basic level it is our contention that controversy is inherent to unemployment measurement. The study of France has uncovered features critical to an understanding of unemployment measurement.

The development of late capitalism in France has put the state in a historically unique position, in terms of its sway in various aspects of social life which impinges on the measurement of unemployment. An Orwellian conspiracy theory has to be rejected; these processes were not developed with the sole purpose of manipulating the measurement of unemployment. However, with the development of the modern welfare state, social policy and statistical apparatus, it would be absurd to consider the state as anything but an agency within the social construction of unemployment measurement. The government cannot passively record unemployment, though it may claim or wish to. It has no option but to formulate policy which will, whether consciously or

unconsciously, affect its construction. This is the source of modern controversies about unemployment statistics. They are aggravated by economic crisis, the deterioration of the labour market, the end of full employment and so on. However, these contradictions have no immediate resolution, and the state always has the trump card, that is, its very position as the only body able to regulate social policy and statistical production.

The second level is the comparative aspect. Despite a whole series of similarities between Britain and France, historically, socially and economically, the study has made clear that there is no single case study that can offer understanding the process of unemployment measurement. Through the complexities of modern development, the uneveness of crisis and alternative political strategies open to decision makers, unemploy- ment has been invented in France in a way specific to that country. Although , both countries use youth training and early retirement schemes, France has not used the category of disability as Britain has, neither has it revised downwards the registered unemployment figures. The French government has taken a more structured approach to early retirement than Britain, the latter a more determined recategorisation of young people. The conclusion is that, if a framework of

understanding, a methodology, is to be established, it has to develop at a considerable degree of abstraction. Conceptual tools are necessary for understanding unemployment as a social and historical construction. The third chapter identified labour market dynamics, the life cycle and state categorisation as important to the invention of unemployment measurement. The French case study has shown the significance of the pattern of development in its invention.

However, theory is no substitute for historical and social research as the French case study confirms. To mean anything, theory has to be applied to the peculiarities of the country being studied. Detailed attention needs to be paid to the statistics themselves and their methods of collection. In the next chapter our approach will be tested and refined by important questions raised by the case of Poland.

1.N.F.S.Crafts,British Growth in the Industrial Revolution, Clarendon, 1985, p.1.

2.S.A.Marglin and J.B.Schor, The Golden Age,Clarendon, 1990.

3.OECD, OECD Economic Surveys: France 1991/2, OECD, 1992. p.61

4.R.Salais, L'Invention du Chomage, La Documentation Francaise, 1987, p.18.

5.P.Cames, L'Humanite, 1 September 1972, p.4

6.J-M. Fahy, `Pour evaluer le chomage', Projet, Jan., 1973.

7.I.Murray,`French attack on unemployment', Times, 7 September 1978, p.21

8.R.Barre,`Discours a l'OIT', Revue Francaise des Affaires Sociales, vol.32, July-September 1978 J.B.Wood, How Much Unemployment?, IEA, 1972.

9.A.LeBaude,`Au dela des querrelles des statistiques, Le Monde, 14 August 1987

10.A.LeBaude,`L'emploi n'est pas ce qu'il etait', Le Monde, 9 January 1990, p.27

11.R.Salais et al, op. cit. J.A.Garraty, Unemployment in History: Economic Thought and Public Policy, Harper & Row, 1978, p.168. However, the debate over the categorisation and measurement of unemployment was not new to France. Indeed, since their inception in France in the census of 1896, there has been the conflict over how to define unemployment. In those days, the question was how to distinguish the category of *unemployment* from the notion of *vagabondage*. In the 1930s criticism targeted the level of unemployment, the government claiming 100,000 unemployed in October 1931, the Socialist opposition estimating the correct figure to be 650,000.[12] These arguments have been played out between statisticians, politicians and institutions with greater or lesser intensity ever since the first figures.

12.A.LeBaude,`Embrouille des chiffres', Le Monde, 8 September 1990, p.23

13.E.Malinvaud,` Le service public de la statistique en occident: le point actuel', Journal de la Societe Statistique de Paris, vol.129 no.4, 1988

14.O.Marchand and C.Thelot,` Population active, emploi,

chomage: des evolutions pas toujours compatibles', Economie et Statistique, November 1986 Employment is measured in several different ways. In France the yearly labour force survey provides employment figures that are compatible with International Labor Office (ILO) definitions, that is anyone who has worked in the week concerned even if it was only for one hour or has not worked but has maintained a "formal link" with an employer. A second method derives from the results of the French census and is based on whether individuals describe themselves as unemployed. Thirdly, estimates are constructed from the quarterly surveys of the Ministry of Employment and Social Affairs. Finally there are the more rapidly produced national insurance scheme (UNEDIC) and employment exchange (ANPE) figures.

15.Following the recommendations of the International Conferences of Labour Statisticians in 1954, 1982, and 1987.

16.J-M. Fahy, op. cit.

17.A.LeBaude,`Chomage: deception', Le Monde, 20 February 1986, p.40.

18.O.Marchand and C.Thelot, op. cit.

19.E.Malinvaud,`Le service public de la statistique en occident: le point actuel', Journal de la Societe de statistique de Paris, vol.129, no.4, 1988, p.235.

20.I.Murray, op. cit.

21.J-C. Barbier, M-G. Michal-Salais and M.Maksud,`Le mesure du chomage: reperes pour un debat complexe', Revue Francaise des Affaires Sociales, vol.45, no.4, July-September 1991.

22.E.Malinvaud, Sur les statistiques de l'emploi et du chomage, La Documentation Francaise, 1986. Eurostat, Employment and Unemployment, 1988. INSEE, Donnees Sociales, 1989.

23.M.Lucas and P.Dubois, Rapport sur les Statistiques du Chomage, INSEE, 1991. They suggested a monthly survey of the unemployed to improve the best indicator that had been adopted since 1986 after the Malinvaud report.

24.G.H.,`M.Malinvaud proposerait de completer la presentation des chiffres du chomage', Le Monde, 23 July 1986.

25.Annee Politique, Economique et Social 1985, p.387

26.Malinvaud (1986), op. cit. Annee Politique,

Economique et Social 1986, p.504. Firstly, the ANPE was to wait longer in order to receive a greater number of postal returns before publishing unemployment figures. This amounted to a 97% rather than a 94% rate of return on forms. The first figures produced on the new basis for October 1986 calculated registered unemployment at 2,543,000 as against 2,468,000 for the old basis. The difference was nowhere near the levels of the ARIES series. Secondly, Malinvaud recommended a `rate of unemployment' to be published by INSEE, an extrapolation revising the DEFM in line with the most recent labour force survey. This figure, according to Malinvaud, should be regarded as the best indicator of unemployment and that ANPE figures were not of the same quality. To this extent the French government has gone much further in attempting to restore credibility in the eighties than the British government did.

27.Malinvaud (1986), op. cit. p.96

28.Salais, op. cit.

29.R.Roehl,`French industrialisation: a reconsideration' , Explorations in Economic History, no.3, 1976.

30.P.O'Brien and C.Keyder, Economic Growth in Britain and France 1780-1914, Allen and Unwin, 1978, p.138. Indeed Marx argued that the uniqueness of the pattern of ownership was gave rise to and was reinforced by a specific political form of class rule in France, Bonapartism, which was based on mass peasant support which enabled political independence from the bourgeoisie and the working class.

31.ibid. Crafts, op. cit.

32.J.Zeitlin and C.Sabel,`Historical alternatives to mass production: politics, markets and technology in nineteenth century industrialisation', Past and Present, no.108, August 1985. This argues that France presented an alternative to the Anglo-American path to mass industrialistion, and that France provides examples of successful industrialisation, the silk industry in Lyon, wool in Roubaix, steel in St. Etienne, along a path of flexible uses of technology and capital.

33.O'Brien, op. cit., p.178.

34.R.Price, Social History of Nineteenth Century France, Hutchinson, 1987.p.258

35.J.A.Garraty,Unemployment in History: Economic Thought and Public Policy, Harper & Row, 1978, p.90.

36. ibid. p.131

37.B.R.Mitchell, European Historical Statistics, 1750-1975, MacMillan, 1980.

38.D.H.Aldcroft,European Economy 1914-70,Croom Helm, 1978, p.81

39.Garraty, op. cit. p.211

40.J.C.Asselain, Histoire economique de la France vol.2, Seuil, 1984.

41.OECD, The Nature of Youth Unemployment: an Analysis for Policy-Makers, OECD, 1984.

42.H.McLeish,`Unemployment under the Conservatives - miracle or mirage?', Labour Market Briefing, no.2, Labour Party, July 1990.

43. B.Montelh and F.Morgensztern,`Jeunes a tout faire', Autrement, no.110, October 1989.

44.H.Weiner,Schemes with an Impact on the Labour Market and their Statistical Treatment in the European Community , Eurostat, 1988.

45. ibid.

46.OECD, op. cit.

47.ibid.

48.A-M.Guillemard,`France: massive exit through unemployment compensation', in M.Kohli, M.Rein, A-M.G., H.Van Gunsteren (eds.), Time for Retirement, Cambridge University Press, 1992.

49.ibid.

50.OECD, op. cit.

International Comparison of Labour Market Expenditure

country	as % GDP	% share of active measures
France	2.65	27.6
US	0.73	34.2
Japan	0.51	33.3
Germany	2.25	45.3
Italy	1.52	52.6
UK	1.50	44.0
OECD	2.02	40.6

51. Between 1975 and 1986 it grew in France by 1.4 million. The activity rate for women aged between 25-49 has risen from 45% in 1967 to 68% in 1984.

52.J.Nicholls,`Daffodils, cards - and wages', M.Rowe (ed.), Spare Rib Reader, Penguin, 1982. I.Breugel,` Wages for housework', International Socialism, no.89, June 1976.

53.E.Garney, The provision of part-time work, the case of Britain and France. Social Affairs and Education Committee of the European Commission, 1984.

54.V.Beechey,` Women's employment in Britain and France: some problems of comparison.'Work, Employment and Society, September 1989

55.Labour Force Survey, Results 1989, Eurostat, 1991.

56. K.Marx, Capital Volume One, Penguin, 1978. J.Rubery and R.Tarling,`Women in recession' in D.Currie and M.Sawyer (eds), Socialist Economic Review 1982, Merlin, 1982. J.Rubery (ed.), Women and Recession, Routledge and Kegan Paul, 1988. I.Bruegel,`Women as a reserve army of labour', Feminist Review, no.3, 1979. M.Barrett, Women's Oppression Today, Verso, 1988. This thesis signifies a means by which, at times of slump, women are not only expelled from work but become a latent, i.e. invisible, potent reserve for another upswing.

Chapter 6: Poland and the Measurement of Unemployment

The general argument of this thesis is that the measurement of unemployment reflects the intersection of two social processes, the development of statistics and the institutional forms and historical evolution of the labour market. Seen through the prism of the Polish experience this argument acquires particular clarity.

The statistical development of Poland has conditioned the measurement of unemployment in ways that have not been experienced by Britain and France. This development has undergone two profound transformations and is now experiencing a third, in which the statistical construction of reality is re-defined again.

6.1 Origins of unemployment measurement in Poland

The first national transformation arose with the independent capitalist development of interwar Poland. Previously, Poland had been part of the Russian, German or Austrian Empires; it was only to gain independence with the post-World War 1 settlement. Like other newly established states a statistical apparatus was perceived to be a crucial part of modern statehood. A national statistical office was established, and the first

national census conducted in 1921. But Poland did not repeat the evolutionary stages of the institutional development of statistics in states such as Britain and France, where former achievements were grafted onto the new. In Poland, with the new statistical apparatus came definitional criteria and organisational practices. In terms of the labour force, this meant that unemployment was measured nearly from the inception of Polish official statistics. Unemployment insurance and the measurement of unemployment were introduced and widened between 1924 and 1927.

The second transformation in Poland came with the establishment of Stalinism in Eastern Europe. After, the existing definitional criteria of the labour market was overthrown, i.e. the subjective process of statistical measurement was `reinvented' and old organisational practices were replaced by new ones. Unemployment `disappeared'. The statistical measurement of the labour force was distorted by its bureaucratic categorisation by the planners. In their consciousness, the labour force became the object of planning and was, therefore, defined by the subjective process of setting stocks and flows within the planned labour force. As a result, the existence of unemployment in Poland and elsewhere in Eastern Europe could be compared to unemployment before its invention in official consciousness in Western

Europe in the late nineteenth and early twentieth century. In both cases, institutional forms and statistical criteria were `unemployment-blind' through either the poor law or `planned full-employment'.

The third transformation is the process of jettisoning the subjective criterion of Stalinism and the adoption of the definitions of the advanced West. There have been several aspects to this. The first was to adopt international statistical criteria. The second was the need to restructure the organisational basis of statistical measurement. Statistical measurement of the economy mirrored, and was connected to the planning structure. That had to change. The central plan-large business organisation-enterprise structure is being dismantled, industry is being privatised and demonopolised. In the case of unemployment, the employment exchanges are becoming important centres of data collection on the labour market. The third aspect was the official recognition of unemployment in law, which came with the 1989 Labour Code Amendment Act. The Act perhaps demonstrates most graphically the invention of unemployment in the current transition.

So the statistical process as regards the measurement of unemployment can be summarised as follows. Unemployment was statistically invented in the interwar period, at the time of the birth of Polish statistics. In the post-

war Stalinist regime, unemployment was statistically obscured, as one reform magazine from the 1956 movement put it, it became `the problem without a name'.[1] In the current transition, unemployment is again being statistically re-invented.

The counterpart process to the statistical construction of unemployment has been the evolution of the labour force, i.e. the social and economic construction of unemployment. We have argued elsewhere that unemployment is a product of industrial capitalism, or more precisely the growth of wage labour, the increasing division of labour and growing concentration of capital. Care has to be taken with this argument. Wage-labour, the division of labour, and capital accumulation grew significantly in Poland before World War Two but it was still predominantly an agricultural society. The Stalinist regime did not reduce these tendencies towards wage-labour within the economy but massively accelerated them. The effect of the latest transition upon the patterns of economic relationships is not yet clear. Unemployment is now open and institutionally supported. However, employment/work relations could move in directions which make classification and measurement more difficult.

In earlier chapters we identified how state policy can

mould labour force categories and, therefore, affect the measurement of unemployment. The categories which governments acted upon to alter their labour market state in our earlier study were the young, women, the old and the disabled. This approach can also shed light on some of the past and present practices of the Polish state. However, there is a significant difference with our two other case studies. The process of state policy and the labour market has not become clear-cut. As with aspects of the economy, the current transition has not resolved the question. But we can identify nascent trends of a labour market policy similar to that of Britain and France.

The Polish case then can put into perspective the arguments made about Britain and France. Here we can concretely examine the institutional invention of unemployment and the relationship between objective and subjective processes in that social construction. Most scholars have identified unemployment with industrial capitalism, they do not do so for ideological purposes but because of objective conditions that develop under capitalism.

1.the expansion of wage-labour.

2.the accumulation of capital, i.e. the concentration of capital and labour.

3.the increasing division of labour, the fragmentation of work, ultimately expressed in Taylorism.

4.the cyclical and dynamic character of the system.

But, as we will see, Eastern Europe showed all these features under Stalinism. The transition in Poland is therefore, one where the objective conditions for unemployment were already long established, but the subjective criteria and institutional forms to recognise it had to be invented. The implication of this is that there is no mechanical relationship between the two processes in the measurement of unemployment. The real relationship is between two relatively autonomous and dynamic processes.

6.2 Statistical development under Stalinism in Eastern Europe and Poland

The issues involved in understanding statistics in Eastern Europe are rooted in the history of the region. The Russian Revolution of 1917 was succeeded by a period of significant statistical development, compared to Tsarism and even the most industrially advanced countries of the world at that time.

> *In the first years of the Soviet regime, more statistical information was published than in Tsarist Russia. Soviet statistical agencies ranked amongst those of the advanced countries.*[2]

This was a considerable achievement, given the devastation reaped upon the country, having been torn apart by the years of the First World War, the War against White and Allied forces and famine. Jasny described how intellectual circles blossomed in the twenties in the field of statistics and economics, with figures such as Krondratyev, Groman, and Bazarov. Statistical and economic agencies published regular statistical reviews.[3]

> *But in 1928, Stalin suppressed the Economic Bulletin of the Moscow Business Cycle Institute, and in 1930 its head Professor Kondratyev, was tortured by Stalin's police, and because he would not join in the new statistical lies, he was liquidated. In 1930, all the great Russian statisticians .....were arrested. The Great Blackout, the great conspiracy against the soviet people by the soviet government became total and all embracing....It was as if a plague had hit the economics institutes and publications, the economists and statisticians.*[4]

This blackout was put into effect as a result of Stalin's offensive against the peasantry and his drive to rapid industrialisation through the five year plan. In the history of Eastern European statistics, this was as important a turning point as the October Revolution itself. Eight economic and statistical publications were closed down in the next two years. Basic indicators, on the cost of living, real wages, prices indices, agricultural and industrial prices were no longer available; statistics when they were produced were

official state secrets. The darkness was to last until Stalin's death when statistics were again to emerge in the Soviet Union, but in a much distorted form.

As a consequence of the post-World War Two division of Europe, the Stalin regime became a prototype for the regimes of Eastern Europe. Bailey noted that between 1945 and 1956 there was widespread adoption of the Soviet planning and accounting system.[5] After Stalin's death, with the reins of Moscow's central control slightly relaxed by Krushchev, the Eastern European countries modified these procedures. Essentially, however, they shared similar methods and institutions.

In Poland, statistical production resumed after the war, Annual Statistical Yearbooks were published for the years 1946-50. A report on national income was produced in 1947.[6] However, as the pretended coalition with the Polish Socialist Party (PPS) gave way to open communist rule, so the process of suppression, that had been carried out twenty years earlier in the Soviet Union by Stalin, was conducted by the Polish Communist Party in Poland. The trail, purge and replacement of the Central Planning Office (CUP), which was dominated by the PPS, was itself one of the major events in the introduction of Stalinism. According to Drewnowski who was at the Central Planning Office at the time,

> *The next step was the destruction of statistics. Calculations of many indices, which the Central Statistical Office (GUS) restarted after the war ended, was stopped. Research into household budgets was amongst the first casualties....and the secrecy of official data became so extensive that even high-ranking economic functionaries had no access to relevant information. The CUP archives were shredded.*[7]

Statistics in Eastern Europe generally and Poland in particular, therefore, bear the impress of these origins even now as the region prepares itself for opening up to the world economy, its so-called transition to a market economy.

Statistics, as they began to emerge from `high Stalinism', did so under contending pressures in the first reform period. So the pattern, that was to recur periodically, began. A cycle of economic impasse, reform, and clampdown was set in motion by Stalin's death, the `secret speech' of the Twentieth Congress of the CPSU and the accession of Krushchev.[8] The scope and quality of statistics became linked to the process of economic and political reform. This was a process that not only took place in the USSR, but more widely in Eastern Europe. Poland is a good example. In this case:

> *In 1956, the statistical flow resumes, most prominently in the publication of the statistical yearbook for 1955, the first since 1950. Succeeding issues of the yearbook became more comprehensive, and discussions in the economic periodicals gained in seriousness and perception*

in contrast to their sterility before the thaw.[9]

The 1956 reforms therefore marked a break with the suppression of statistics. By 1967, Hunter could say rather optimistically of the Soviet Union.

> *Several important aspects of the economy and society now seem to be well understood, statistically speaking. Publication of the 1959 census, for example, together with the subsequent demographic research, has provided well rounded understanding of the demographic situation ... Production data concerning several major relatively homogeneous products like electrical power, certain ores, and basic steel products have come to be available in considerable detail. Here no doubt the scepticism that prevailed in 1947 has, I think, given way to a reasonable degree of understanding and satisfaction with the data.*[10]

However, the vacillation of all the Eastern European regimes between reform and reaction was to affect their statistical development. Not only did the openness and integrity of statistics move according to these criteria but also, according to Alton, discussing the Polish case, they depended on the relative performance of the economy. When the economy was booming the supply of data would improve, as it entered difficulties, statistics would deteriorate.[11]

Initially, the industrialisation programmes existing within a statistical vacuum created a `self deluding optimism' amongst the state bureaucracies.[12] However optimism was to give way to concern, concern gave way to

a realisation of the need for change. The lack of statistical information had become an impediment for the planners and officials. It led in part to irrationality and uninformed decision making. The official theoretical journal of the CPSU discussed this on the eve of the Krushchev reforms.[13] Wolfe describes the implications of the period of suppression of statistics.

> *The Soviet officials responsible for alternative investment of scarce capital and other matters requiring accurate statistics will never be able to engage in real planning as long as the blackout and statistical juggling continue.*[14]

Obviously, it was in the interest of the nomenklatura to reform this state of affairs. Their requirement of further statistical information was not straightforward, as statistics were needed in order to present the interest of the nomenklatura as being in the universal interests of society.

The first general problem of Polish and East European statistics is that they were enlisted as support in the Cold War battle of ideas with the West. Therefore Krushchev, for example, was to claim that per capita bread consumption in Russia was higher than that in the United States. While this was true, it was only because of the poverty of the Soviet workers diet, which had a far higher proportion of bread to milk or meat products. These facts were of course neatly suppressed.[15] For this

reason, there was a considerable selectivity in Eastern European statistics, in part due to twin pressures that were in conflict at the very heart of East Europe development. Economic development which was indeed considerable largely took place at the expense of the class that was meant to be in power. More specifically, the duality stemmed from a desire to overplay its achievements in comparison to the West, and a desire to obscure the costs of those achievements. Jasny's unofficial companion to the 1956 Soviet Statistical Handbook demonstrated heavy industry, transport and investment were responsible for the high, though exaggerated, aggregate growth rates; real wages, on the other hand, had not reached the 1928 level, the beginning of the first Five Year Plan. He noted that there were no nominal wage structures, his statistical extrapolations illustrate the reason for this.

> *One million in a superhigh class earn as much as 10 million in the low wage group - this in a country that has reached socialism and is heading for communism.*[16]

Investment throughout the Eastern bloc grew at the expense of consumption. Regimes desired to inflate their international economic performances. Statistics were called upon for these services. The exposure of falsifications by the former head of the Polish Central Statistical Office illustrated the point. Official aggregate investment data were too low, coal exports and

house construction figures were exaggerated.[17]

The second problem was the way in which statistics were refracted through the prism of central planning. The planning structure was open to abuse, as various sectors and enterprises competed for the favours of the central planners, by target achievement in order to be allocated the limited amounts of investment, raw materials or labour. Statisticians would at times be drawn into this process by colluding with enterprise chiefs to produce misleading data. This is not surprising as statistical offices had no independent status, and local statistical offices and enterprise heads were connected by the Communist Parties.[18] This was further complicated by accounting procedures acting at different levels. In Poland, for example, there was a three tier accounting procedure, the Planning Commission of the Council of Ministers being the central organisation of aggregate planning, the Large Business Organisations at an intermediary level allowing the tracking of the last unit, the individual enterprise.[19]

Thirdly, Eastern European concepts were often not comparable with Western ones. They were formulated with reference to neo-Marxist criteria. For example, the principal economic indicator - national income, was quantified in a very different way to which national

accounts are constructed in the West. Eastern European countries used the Net Material Product (NMP), established by the Material Product System (MPS), as the indicator of national output and therefore to calculate growth rates. It was based purely on the material, i.e. industrial or agricultural production, or those services such as transport that are closely tied to industrial production. Services were officially considered as unproductive and therefore should not be included. The transition to market economies would therefore involve adopting Western notions, in this case, the OECD-UN National System of Accounts, to quantify Gross National Product (GNP). Two major problems have been associated with old procedures. The first was double counting, that is because the accounting procedures are not concerned with value added by various production processes, it could count the value of materials through each of their intermediary stages to final product. So that the value of iron could be counted as iron ore, as steel, and as a component of the car, so it is counted three times.[20] The second was defective pricing which could distort proportionalities within the economy and hinder time series comparison.[21]

The consensus amongst experts in Soviet or Eastern European statistics is that data was mostly not falsified. Far more important than falsification were the non-existence or suppression of data, spurious and

changing concepts or confusing aggregations. In the case of Poland, Alton argued that,

> *Fortunately, our detailed examination of Polish statistical materials yields no evidence of deliberate falsification of primary data. Although data still serves propaganda purposes in Poland, this goal is achieved primarily by manipulation of data or withholding information rather than free invention. This view is supported by the mutual consistency of data derived from various sources, by the evident use of the published data for operational purposes within Poland, and by checks with the statistics of other countries.*[22]

The transition to a market economy will require a change in institutional and statistical practices. Blades has dubbed this process ` the statistical revolution in Central and Eastern Europe'. The process involves three major aspects. Firstly, statisticians have been decoupled from the Party apparatus allowing a professionalism and independence not afforded to them before. Secondly, statistical concepts are being harmonised with Western (OECD) concepts. Thirdly, the gaps in statistical information have to be filled, particularly those areas the Stalinist regimes found it to uncomfortable to quantify. However, the transition to the market does not seem to be an end to the matter, instability has threatened the newly established liberal democracies in several parts of this region already. And after all, the Communist Parties don't have a monopoly on statistical manipulation.

6.3 Employment relationships in Eastern Europe and Poland

Employment relationships in Eastern Europe were transformed by planning. Again the development of the Soviet Union under Stalin provided the model that was to be introduced in Eastern Europe and Poland. Before 1928, employment exchanges and open unemployment existed. During the New Economic Policy the near full employment of war-time gave way to growing unemployment. It was a problem that was officially recognised and openly discussed by the Commissariat of Labour and the economic and statistical publications.[23] Within two years of Stalin's first five year plan open unemployment seemed to disappear, and the economy was operating with serious labour shortages. The Soviet and East European economies were characterised as low wage - full employment economies. In the case of the USSR,

> *Greater regulation of employment may have been implied by the launching of the first five year plan. But what actually produced it was the end to unemployment in 1930 and an acute labour shortage.*[24]

The state did away with the labour exchanges and organised industrial recruitment from the newly established kolhozs (collective farms). This employment policy was subject to two considerations. Economically, it was a requirement of the industrialisation drive

carried out by state planning. Ideologically, full employment was officially described as the `state of work' under socialism.[25]

Despite the ideological veneer of the `worker's states', workers did not have control over production. In each of these states, constitutional rights for various works committees were meant to demonstrate participation in decision-making in the process of production. Much was made in the Soviet constitution of the worker's council and the power of mass meetings of workers in the production. The reality didn't match up to this.

> *The management for its part, will be obliged to `consider and respond to' workers' suggestions, and the opinion of the work collective will be `taken into account'. Clearly, the enterprise management and the communist party organisation will retain the final, controlling say in the decision making process. This is ensured by Article 1 of the new law, which states that the work collectives must operate under the leadership of the organisations of the CPSU and that `their duty and obligation' includes `the implementation of party decisions'.*[26]

The surface appearance of official ideology had to be penetrated to understand the characteristics of the workforce in Eastern Europe. The working population was not in control of production. Consumption was deprioritised and consumer goods were of a notoriously poor quality. As a result, a poorly motivated working class made for chronically low labour productivity.

Growth in output and therefore plan fulfilment were based very much upon the growth in the labour supply. The result was that participation rates grew considerably in all East European economies.

Reserves of female and rural populations were pulled into production. Female participation across the whole of Eastern Europe is high by international standards. In 1983, the proportion of Polish women in total employment was 43.7%, for the European 12 the figure was 38.0%.[27]

The growth in population was another factor that should not be ignored, the Polish population grew from 25 million in 1950 to 36.7 million in 1983, the working population grew by 49.6% during this period.[28]

The key to the economy was the expansion of the capital stock. This in turn conditioned the development of the labour market.

> *The investment plan tended to be used not to balance capital construction with other competing needs..., but to mobilise all possible resources and pour them into capital construction regardless of opportunity cost. A result of this was the tendency to loss of investment discipline and to periodic overinvestment. An investment cycle appeared in which massive investment plans and extremely rapid growth in capital stock resulted in surges in demand for labour and industrial goods far exceeding their supplies at full employment.*[29]

The Soviet-type system operated at full employment but cycles of production existed. Fallenbuchl describes the cycles of the Polish economy in the 1950s and 1960s. The first investment drive began with the plan of 1950 but met increasing difficulties by 1954-5. Targets and projects were revised in terms of investment and production. In the labour force those seeking work increased while openings fell in 1959. Another drive began in 1961 but again collapsed in 1963-4, when again labour demand fell significantly.[30] In the West, cyclical production is associated with unemployment. According to orthodox economics, disequilibrium arises in the labour market in which real wages over reach their market clearing price. But, in Centrally Planned Economies (CPEs) open unemployment did not exist, as wages were low and rational pricing in the labour market was suppressed. Many commentators think that it is wrong, therefore, to talk of unemployment in CPEs.

> *As to cyclical unemployment, most Western scholars seem to be of the opinion that command socialism has nothing remotely resembling cyclical unemployment ... Nevertheless, command socialism does experience cyclical fluctuations in economic activity stemming primarily from fluctuations in the growth and rate of investment and output.*[31]

What tended to happen was that firms hoarded workers and concealed their reserves of labour from planners. From the point of view of managers, it was in the interest of the enterprise to have the highest inputs and the lowest

plan targets. In effect then, there was hidden unemployment from this source.

> *Disguised unemployment .... now re-emerges in the modern world of the soviet office and giant factory. Workers might as well be redundant, but their wage is paid out as a wage by the factory, not by the labour exchange ... Everything is permitted as an excuse for not working.*[32]

This situation was general to the Centrally Planned Economies. Feiwel described the situation for Poland and makes a very similar point about the cause of hidden unemployment.

> *In Poland the high and escalating rate of investment throughout the 1960s (from 16.5% of national income in 1959 to 21.9% in 1968) was accompanied by an accelerated rate of growth of employment, not corresponding to the growth in the rate of output. For example, whereas in 1956-60 the average annual rate of growth of employment was 2% and of gross output 9.9%, the respective figures for 1961-7 were 3.3% and 8.3%.*[33]

If we accept the notion of hidden unemployment, then we also have to accept that the cyclical fluctuations in the demand for labour, give hidden unemployment a cyclical character.

For Feiwel additional features of the Polish economy created the conditions for hidden unemployment. Ironically, industrial overemployment was the result of directing rural labour surpluses into the towns. The mechanisms of central planning combined to bring this

about. Wage relations encouraged high and increasing participation rates. Wages were low and differentials within the working class were not such that a family wage model was possible. This did not change over time significantly as wages were restricted, not only because of the imperatives of accumulation, but also because the wages fund was put under strain by the increasing level of employment. When wages were paid in piece rates they had slack norms which meant that productivity was kept stagnant. Planning induced firms to increase employment, without providing necessary restrictions. Almost inevitably this led to structural mismatching in regional and training aspects of the labour force.

> *The system of functioning of the economy induces the enterprises to expand employment without providing sufficiently effective restraints ... Superiors usually combat excess employment by administrative means ... The half measure reforms did not succeed in interesting the enterprises in more effective use of manpower, but afforded the enterprise greater persuasive powers in swaying central planners in its favour.*[34]

Demographic factors aggravated this, particularly the further down the road of industrialisation we find ourselves. One major headache of the planners in USSR was the regional dislocation between demographic dynamism (the Central Asian republics and the Caucasus) and the industrial heartlands of the economy (Russia, Ukraine, and the Baltic). This is of particular importance when we consider that the growth in labour

supply was a key factor in growth and that rural and female reserves in many parts of Eastern Europe had been exhausted.[35] This may account for the current regional disparities in Polish unemployment, with the highest unemployment in agricultural areas such as Polnoco-Wschodni and Srodkowy.

Not only did hidden unemployment exist in the form of labour hoarding, but so too did frictional unemployment. According to Teague, the USSR's annual turnover rate of the workforce was about 14% in the early eighties, which is not particularly high in international terms. What did trouble the regimes was that each job change took on average 24 days.[36] Porklet confirmed this feature. His figures stated that in 1965, job change took between 14 and 40 days, 1967-68 33 days (47 for women) and 1978-83 20-30 days. This means considerable lost production and frictional unemployment.[37]

So (hidden) unemployment existed in those forms described in market capitalism. Officially, of course, this was strenuously denied. For the ruling bureaucracy the supposed non-existence of unemployment demonstrated the superiority of the Soviet bloc. Therefore, statistical evaluations of this are always difficult. Eastern European statistical year books printed unemployment rates of the industrialised West and even pointed out

that these were understated, (for which there is a case) whilst denying its existence domestically. What is perhaps more surprising than this, as Adrim notes of the ILO, is that official sources in the West played along with the Soviet bureaucracy's deception .[38]

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The general aspects of the East European labour force, from the Second World War to the end of Stalinism (1989), can be summed in five points.

Firstly, industrialisation drew greater and greater numbers into the labour force and over time exhausted female and rural reserves of labour. Participation rates by the late sixties in Eastern Europe were extremely high by historical and international comparisons. Increasing labour supply was a crucial component in the growth experienced by the Eastern European states.

Secondly, industrialisation was not a smooth, virtuous circle of growth. The economies were geared towards the accumulation of capital, particularly in the heavy industrial sectors. Investment cycles resulted. Demand for labour therefore fluctuated cyclically.

Thirdly, planning suppressed rational prices in the sphere of labour. Firms tended to hoard labour. This lead to misallocation of labour in quantitative and qualitative terms. Labour shortages were a permanent

feature of the economy.

Fourthly, this coexisted with structural, frictional and cyclical unemployment or underemployment.

Fifthly, employment relationships were a crucial dimension for the crisis which beset the East European economies. Low labour productivity was always bemoaned by the bureaucracies which called for greater discipline and less job changing. The allocation with its coexistence of shortage and underemployment became increasing wasteful, as the potential for extensive growth in the labour force dried up.

6.4 Impact of Transition in Employment Relationships

We have established the necessity to discard the Stalinist regimes' view of employment and unemployment if we are to understand the dynamics of the labour force in Poland and the rest of Eastern Europe from 1946-1990. A far greater similarity to the situation in the west was found than this view would have us believe. It has been argued that unemployment in Poland and Eastern Europe existed in a slightly different guise, widespread hidden unemployment. It would be a mistake to conclude that from this that `the transition to a market economy' will then be a superficial one. On one level the

transition is superficial, those who once held power in Eastern Europe through the Communist Parties now hold onto it through the reformed enterprise or army of the new democracy.[39] But at the level of employment relationships, a profound transformation or, more strictly, a massive restructuring is taking place.

The bureaucracy in Poland made periodic attempts to reform the system before Solidarity entered office in September 1989. This process began as early as 1956. Under Krushchev in the USSR and Gomulka in Poland certain reforms were implemented. In Poland, workers wages were raised, intellectuals were afforded more leeway, peasant farmers were granted greater security, and the Catholic Church became tolerated. A similar period of reform was entered in 1971-4 under Gierek and again at the beginning of the eighties.[40] Two factors coalesced to impel the regime to reform: pressure from below and the economic impasse. By the eighties, the economic problems were increasingly sharpened; the socialised sector was stagnating, the only source of dynamism was the private sector. Leaders introduced limited market reforms, but even this was a painful process, which would meet with resistance from sections of the bureaucracy (in particular the heavy industry-police section, otherwise known as the Natolin group).

Thus, Rostowski points out that reforms implemented in 1987 by the Polish regime were reforms that were supposed to have been undertaken several years earlier.

> *The "second stage of reform" outlined by Prime Minister Messner on 10 October 1987 which has received so much publicity in the Western Media goes a little bit of the way put forward in the report on the Polish economy printed here. The right noises have been made: the size and powers of the central economic bureaucracy are to be reduced, subsidies to the socialised enterprises are to be cut, workers' councils are to receive more power, a securities market is to be created... The government proposals are definitely welcome. Unfortunately, all of them were supposed to be introduced in the first period of reform of 1981-2. They were not introduced because of the power of vested interests in the bureaucracy.*[41]

The scale of the two aspects of crisis described above grew to necessitate a qualitative break with this established pattern of reform, resistance and reaction. By the mid-eighties this crisis did not just affect one Eastern bloc partner, it had become a region wide crisis. The West had two major advantages over the Soviet block in dealing with the economic crisis.

Firstly, advanced capitalism had outgrown national boundaries of production and established a complex relationship between the nation state and increasingly internationalised production. The competitive advantage firms could forge by finance, technology, trade and production, that ignored national boundaries was not offered to the East European states. Secondly and

consequently, the restructuring that takes place within the Eastern bloc is not done with reference to the world economy, but through the actions of the state (though it would be a mistake to overlook state activity in the West, e.g. subsidies to industry, the Common Agricultural Policy etc.). Chris Harman described the effect of being insulated from such restructuring through recession.

> *In the classical capitalist crisis, the exhaustion of resources to sustain new investment expressed itself in the fall in the rate of profit. This drove the least efficient firms out of business and increased unemployment, reducing the demand for all goods for a period ... But in the bureaucratically controlled economies it has not been left to blind competition between different enterprises to decide which go under and which stay in production. The bureaucratic state itself has intervened, without allowing a period of unemployment of labour or resources to intervene. Crises cut growth rates and produced unused productive capacity in various parts of the economy, but they did not usually lead to piles of finished consumer goods for which there was no demand . Nor did they generally lead to a fall in industrial output, plant closures and unemployment.*[42]

Despite its existence in the CPEs, unemployment was, therefore, unable to play its distinctive function in the process of restructuring. Opening the economy to market forces would introduce this. Firstly, it would allow the recession to function as it does in the West (although this is tempered by state intervention). Secondly, it would allow the East European ruling classes to link their economies of Eastern Europe to

the chains of internationalised production, technology, trade and finance.

The three major economic components of the transition are macro-economic stabilisation, liberalisation of economic activity (prices, trade, money), and privatisation. Poland is relatively advanced in this process, although there has been criticism of the course of action it has taken.[43]

The results have thus far been dramatic for Poland. It has become obvious that there are no guarantees for medium and long term success, the short term is painful. Open unemployment has emerged and grown considerably. Industrial production has fallen spectacularly, by 25% in 1990, by over 14% in 1991, (a year in which recovery was expected).[44] Prices have accelerated, slowed and accelerated again; in August-December 1989 inflation ran at 30% per month, in February-March 1990 that had fallen to 5%, back to 12.7% per month in January 1991.[45] By April 1991 there was increasing impatience with the reform program, the Solidarity government and Walesa's presidency, who themselves had gained office on the back of widespread dissatisfaction with their predecessors, the first Solidarity government of Tadeusz Mazowiecki. As one commentator put it in early 1991.

Economic difficulties rather than receding have in

> *fact, intensified: productivity has declined, and inflation in January and February exceeded the projected rates. Moreover, attempts to accelerate the privatisation of state enterprises have largely failed.*[46]

The transition programme, or the `shock therapy', was initiated on 1 January 1990. Virtually all price controls were removed, those which were not were increased several times. The price of coal, which had been a tenth of its price on the world market, was increased sevenfold for households, fivefold for industry. Subsidies which had accounted for 14% of GNP were to be slashed to a planned 6% of GNP. Interest rates, which made borrowing unrealistically generous, rose. The rate, which had been negative under the old regime, was raised and was positive by February 1990. The exchange rate which was too high was devalued. Wages were restrained by the `popiwek', a tax that sought to keep wage increases below prices in state firms (a measure that was to provoke working class discontent[47]). The final element was the privatisation programme, which was set the task of transforming ownership, in the country where 90% of the economy was in state hands. Here the state opted for the British model, whereby privatisation of firms was prepared one by one. There has been criticism of the relevance of this model in the Polish context, in particular because of the shallowness of the market.

Alternative methods have been adopted in East Germany and Czechoslovakia. In East Germany unification brought more rapid across the board privatisation and demonopolisation, the result of which was devastating in terms of industrial production and unemployment. The East German case, for obvious reasons, is exceptional having the task of integration into one of the world's strongest economies. In Czechoslovakia, a two tier system has been introduced, where the large firms are privatised according to the British model over a ten year period, but smaller firms are auctioned off rapidly.[48] The thinking behind this is how to establish a social group capable of owning shares and accumulating wealth. In similar vein, Lipton and Sachs propose rapid privatisation through free distribution of shares.[49] Ultimately, so their argument goes, capital markets would resolve problems, such as too diverse ownership. The giveaway scheme increasingly gained favour with the Polish government as the difficulties of the `British model' became evident. The state became uncertain of its own programme and dithered as to what methods to implement.

> *The legislation also recognised mass stock distribution as a possible instrument in the privatisation process, but it did not specify how it could or should be used. The new Ministry of Ownership Transformation had 90 days to formulate a programme, but failed to meet this deadline. With the election of Walesa as President, however, a principal proponent of stock distribution schemes was appointed Minister of Property*

> *Transformation in December 1990. The state was clearly moving towards giveaway schemes and away from sales at least with respect to manufacturing firms, but as of the spring of 1991 still had not presented any concrete proposals.*[50]

Privatisation and transition, even by its advocates, is going to create enormous difficulties.

> *Even though, we favour rapid privatisation, we doubt it will produce immediate , large increases in productivity or managerial efficiency. The real gains from the private ownership will take years to manifest themselves - the length of time needed for managers to be upgraded, supervisory boards to gain experience, stock markets to improve the quality of valuation of enterprise, and the real restructuring to take place.*[51]

By the end of 1990 five companies had been privatised, 4,330,000 shares worth zl.350 billion were sold to an estimated 100,000 investors. The object of the privatisation plan, established in the Privatisation Act of 1990, was to conform to Western norms of ownership in five years and to have half of state assets transferred in three.[52]

The agonising process of privatisation and transition is aggravated by the regional crisis in patterns of trade and price structures. Poland's major trading partner has been the USSR, exporting machinery, textiles, ships and electrical equipment and importing energy and raw materials. In 1990 Polish exports to the USSR fell by 11%, whilst imports dropped 40%.[53] The conversion of the

USSR to hard currency accounting has further aggravated the situation, as hard currency reserves in the region are exposed. The break up of the USSR underlines this point. This may be counterbalanced by the developing relationship with Germany.

> *The main reason for this decline was the shortage of hard currency of the Soviet republics and local enterprises, which had been encouraged by the central authorities in Moscow to enter separate trading arrangements with Poland...This decline in trade has, of course had a major effect on Polish enterprises, and there is already talk in Poland that many industrial plants that relied on the Soviet Union will be forced to close down or drastically cut their operations.*[54]

Poland also had the greatest debt burden of the Eastern European countries. Its debt service ratio in 1989 was estimated to be 88%, with a foreign debt totalling US$40bn.[55] This was eased by the Paris Club of international creditor governments. In April 1991 they forgave 50% of Poland's publicly held foreign debt provided that the stabilisation programme was adhered to.[56] Transition is, therefore, likely to be a prolonged and difficult process for the Polish government.

6.6 The rise of unemployment and state regulation of the labour force

For our purposes, the significant aspect of shock

therapy in Poland is the spectacular rise in measured unemployment, and its relationship to socially constructed processes, founded upon official ideology, state regulation and the labour market.

When discussing levels of unemployment, we should be careful about its precise nature. Official figures indicated 13.6% unemployed in December 1992.[57] The government had estimated that unemployment would rise in 1992 to reach 3.5 million or nearly 25% unemployment. The elimination of labour hoarding would account for something like 15-20% of the workforce. Despite its dramatic rise, much of this unemployment is not on the basis of the elimination of labour hoarding. According to Kwiatowski writing on the situation up to May 1991, when unemployment was 7.3% it was mainly due to other sources, i.e. new entrants and women.[58] This would suggest, considering the scale of industrial production decline, an enormous potential aggravation of unemployment, unless sources of employment mushroom. The crucial indicator in this respect, is the proportion of group lay-offs to unemployment, initially this was very low but has been rising. In summer 1991 the turning point came when industrial sackings took-off, from that time unemployment grew at 150,000 a month.

> *The rise in unemployment in 1990 was not a result of a more rational use of labour in the state owned enterprises. A drop of employment in the*

> *socialised sector was in the period examined much less than the fall in production in the same sector, suggesting the increase in hidden unemployment.*[59]

This view is confirmed by the regional distribution of unemployment. Unemployment grew much faster in rural areas than industrial urban areas.

> *Between January and June, unemployment rose from zero to 3.3% of the active workforce. The "gap" between the fall in production and rise in unemployment was thus "wide", wider still if we consider that more than a third of those unemployed had not recently held state jobs. Moreover, officially registered unemployment in June [1990] was well under 3 % in large industrial centres...Low urban unemployment was caused by the rapid growth of the private sector, particularly nonregistered trade.*[60]

The transition also requires construction of an institutional framework for the labour market. Employment offices and grudging recognition of unemployment did come in several of the Eastern European states, particularly in the 1980s. These were inadequate for the transition. So the governments have had to expand employment offices and establish unemployment compensation. Poland, because of its advanced stage of transition, has been the first to establish an unemployment compensation system, followed by Hungary. This point is demonstrated by the situation in the summer of 1990, as described by Micklewright.

> *The impetus for the development of unemployment compensation in Eastern Europe is of course the*

> *emergence of open unemployment. In Poland, where dramatic structural adjustment has been adopted as the solution to the economy's ills, the stock of unemployment benefit recipients was over 550,000 by June 1990, about 4% of the workforce, compared to only 6,000 the previous December...Change in Hungary is being effected in a less dramatic way. Unemployment was only about 1% in Spring 1990 but the fear of what may come is apparent. The USSR is hesitating over major reform but it is widely recognised that this must entail substantial re-allocation of labour and open unemployment.*[61]

The unemployment insurance system was established in the transition programme of 1 January 1990. Unemployment insurance is itself a crucial dimension of the construction and measurement of unemployment. The national unemployment insurance scheme allows the state to define unemployment, as with the law embodying the transition programme.

> *An unemployed person was defined as someone who is without a job registered at a regional Labour Office and is ready and able to start work. In addition he or she must not be receiving an old age pension or be covered by social insurance, nor be an owner of a farm or business.*[62]

Under the new code, the unemployed received 70% of their previous wage for 3 months, 50% for the next 6 months, and 40% after that. An upper limit of 100% and a lower limit of 40% of the average wage were established. New entrants into the labour market receive between 150% and 100% of the minimum benefit level according to their educational qualifications and duration of unemployment.[63] However, national unemployment insurance schemes

can also be adjusted by the government, hence redefining unemployment. In Poland, the government had amended the original provisions five times by December 1991 when a new law was adopted. Ostensibly these revisions have been to cope with fraud. The new law created a twelve month limit for benefit. Seeking work criteria was also tightened, those refusing two job offers will be disqualified. The December law also intended to prevent school-leavers going straight onto the unemployment figures.

This is all shrouded in the rhetoric of fraud and false claimants. Several Western commentators accept this account of things, L.Vinton entitles her article on unemployment insurance in Poland, `Poland: widespread abuse'.[64] The ILO's Social and Labor Bulletin (2/91,p.172) echoes this view.[65] Even, if the claims made about fraud are true, then they are only half the story. The changes in eligibility are usually reported uncritically. However, they are, in reality, obviously geared to reducing numbers on the register. As is often the case, it seems that those engaging in Labour Office fraud are fewer in number that those eligible but not claiming, only 73.9% of those eligible were claiming at the end of 1990 i.e. after the legal amendment in June 1990 cutting out the fraudulent 30% off the unemployment register.[66] Indeed, the fact that registered figures in Poland underrecord unemployment was backed up in the

first Labour force Survey of May 1992, when unemployment was 12.9% compared to the registered figure of 12.3%.[67]

The state also plays a crucial role in establishing labour market and inactive categories of the population.

One such category is women. The role of women within the labour force is shaped by the state on two levels. The first is ideological. The example of war-time industrial recruitment in Britain and the subsequent discouragement of women's waged work is obvious. In this regard, Malgorzata Tarasiewicz noted:

> *The political climate is dominated by traditional values. With the growth of unemployment there are government plans to send women from their jobs in order to improve the situation in the labour market. Moreover, women see staying at home as new and progressive.*[68]

More important are the sexual division of labour, access to child care facilities and wage structures. Before the transition women were drawn into the labour force on all these counts. Ideologically, female participation was encouraged. Wage differentials gave little incentives for workers to opt for the family wage model. Child care facilities were generally available and relatively cheap. Poland experienced high levels of female participation, the drudgery of housework and child care was combined with the drudgery of a routine job for most

women of working age.

In terms of child care facilities, there has been a rapid rise in the cost of day care facilities. The proportion of the cost of using these facilities on an average women's earnings rose from 58% in January 1990 to 81% in July 1990.[69]

> *Alternative care takers (that is, family, since the use of a baby sitter is rather foreign to Polish society) may also have been more widely used by working mothers. At the same time, the high costs of day-care facilities undoubtedly discouraged nonworking mothers from joining the labour force.*[70]

Figures for the job applications tend to suggest that labour market options are being narrowed for women. In April 1991 57 women applied for each job advertised, whereas only 18 men did so. This gap had been growing over the previous year. The result of these changes has been a significant drop in women's activity rates and higher unemployment for women than men.[71]

One other category of the population, on working within the Western scheme, are the disabled. It is a category that has been used to take people out of the unemployment figures in some West European countries. In Poland it is unclear whether this will be the case but the category has been defined by the state through the Employment and Vocational Rehabilitation of the Disabled

Act of 1 July 1991. The Act proclaimed five aims.

- the creation of new jobs, and the orientation of existing jobs, for disabled people;
- the organisation of training and retraining for the disabled;
- the construction and modernisation of premises for the vocational, medical and social rehabilitation of disabled people
- the creation of workshops for completely disabled people, for whom the workshops will form social rehabilitation;
- the granting of loans.[72]

Some of these measures could be used to isolate the disabled off from the core of the unemployed.

The definition of unemployment also excludes the peasant-workers, whose major source of income is industrial employment, but who also own a small amount of agricultural land. Peasant-workers number nearly two million, a considerable fraction of the labour force (which stands at approximately 18 million).[73]

Therefore, despite the difficulties in establishing long term patterns from the relatively short experience of transition in Poland, we can draw conclusions which test the argument of the other chapters. Firstly, the transition itself is a repetition of the kind of process

which the Advanced West underwent between 1900-35, that is moving from being an unemployment-blind to an unemployment-sighted society. This is taking place on a number of levels, institutionally, ideologically and socially. Secondly, the role of the state in the definition and categorisation of the working and non-working population is demonstrated. The state is not a simple transmission belt for labour market realities, but is an agent in the social construction of that reality. Thirdly, not only does this confirm the general arguments of the other chapters, it also points to likely options for the Polish state. These conceivably include regulation of migration, relaxation of disability criteria, reducing female participation, or early retirement to redefine the labour force and therefore the politically contentious levels of unemployment.

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Conclusion

The study of the measurement of social phenomena has presented us with a number of serious questions which we have tried to draw together and answer with respect, in particular, to unemployment measurement.

Our introduction established the central questions of the study as follows. Firstly, how should the process of the measurement of social phenomena be understood? Secondly, how can the dynamic of the relationship between unemployment and its social representation be uncovered? These first stages are theoretical in nature. Thus, we need to construct a methodology to bridge the gap between the theory and empirical investigation. The underlying question is can we trust unemployment statistics?

The originality of the thesis lies in its theoretical approach to the issue. The existing literature was deficient for the purposes of understanding the measurement of unemployment. The weaknesses of the existing literature are twofold. Firstly, it does not sufficiently combine a historical-theoretical understanding of both unemployment and the measurement process. Secondly, it is not sufficiently based on detailed comparative empirical investigation.

Conceptualising `statistics' begins with its history. We found the literature divided into different approaches. Our discussion of this literature led to the rejection of both idealist and crude materialist views. The rise of statistics was linked to the rise of industrial capitalism. This fact, in itself, does not demonstrate the connecting points between the era of bourgeois revolution and statistics. These links were the tumult of ideas (science, the enlightenment, classical economics), the process of nation-state building (culminating in the professionalisation and bureaucratisation of the state), the rise in quantification (concomitant with the commodification of life) and the ideological appeal to ideals of rationality and democracy under modern capitalism.

Statistics developed certain general characteristics as a result of its origins. These features give clues to understanding the process of measurement of social phenomena. The most significant feature is the state monopoly of statistics, or monopoly of certain crucial aspects of the measurement process. This has considerable implications for the nature of the statistical controversies. This monopoly is rooted in the material resources of the state and the importance of statistical data in the political arena. This gives

the state the advantage in any disputes over statistics. This monopoly may seem to be challenged by the growth of international organisations that disseminate statistics, agree definitions and establish statistical conventions. In reality this growth further legitimises the state's monopoly and establishes a symbiotic, rather than antagonistic, relationship. International organisations rely on the local nation state to provide it with the data. The state is backed up by the international organisations in the disputes over the measurement of social phenomena, as they share the common framework of the official view of statistics.

Secondly, `statistical consciousness' developed. Statistical consciousness is the prevailing set of assumptions made by society about statistics. The twin sources of this consciousness are the official attitudes of the state to statistics and the ethos of statisticians. This consciousness comprises several elements. The first is the notion that statistics is positive, progressive and able to scientifically solve social problems. The more exaggerated claims made on behalf of statistics, often from statisticians themselves, verge on the utopian. Within this ideological framework the statistician is a universal character and an internationalism amongst statisticians emerged at quite an early stage. The second element in

`statistical consciousness' is the professionalism of the statistician. The statistician has professional standards and is therefore objective, impartial and independent of hierarchical influence, or of the social process of which he or she may be part. As a result the problems in the measurement of social phenomena stem from technical difficulties or individual errors that the statistician valiantly battles against.

Such notions are clearly insufficient when we consider the controversies about statistics that have emerged. The statistician is one dimension of a wider social construction. They are subject to hierarchical structures of management and control. Hence fundamental questions in the statistical process are beyond the statisticians control. Governments are able to use several strategies which demonstrate the limits of the statistician's control. In this case we used Britain to demonstrate this point. Statistical series may be suppressed or discontinued, as in the case of poverty statistics. Administrative processes, by which some statistical series are derived, may be altered as with registered unemployment figures. Funding may be withdrawn, as with a study of sexual behaviour. New conventions may be established which government officials favour, as was the case with inflation and income figures.

The origins and development of unemployment were likewise linked to the development of industrial capitalism but again it is important to establish the connecting points between the two phenomena.

Unemployment emerged from the industrial revolution and the generalisation of wage labour. Limits and complications to the notion of unemployment come with the continued non-universality of wage labour, which can lead to confusions in definition, to hybrid forms, and to conceptually difficult categories. The case of women is the most obvious source of ambiguity where the privatised nature of reproduction leads to various forms of marginal work, family production, homeworking and so on.

The conceptualisation of unemployment emerged after unemployment itself. This anomaly raises the question of the relationship between unemployment and its ideological representation. The late conceptualisation of unemployment demonstrates a certain degree of independence between the concept and reality, at least historically. However, the relationship is more complex than this would suggest as there can be no radical separation between concept and reality, as the

conceptualisation of unemployment has an impact upon the reality of unemployment. The development of unemployment insurance and the recategorisation of the poor with the emergence of the welfare state demonstrated this to be the case. Therefore, the `invention' of unemployment is not responsible for the existence of unemployment but it does affect its development. This process of invention rests, to a large part, in the hands of the state.

Having established the dynamics of the underlying processes which produce unemployment measurement, the validity of our methodology then rests upon whether we can generalise about the contemporary measurement of unemployment. Our methodology aimed to bring together the generalised and the specialised study of measured unemployment. On the generalised level, a number of issues have been clarified.

Firstly, we have identified the problems of comparison on a technical level, in particular with registered unemployment figures. These technical difficulties exist at the national level, with contending institutions and methods of measurement, and on an international level with comparison of national series. This technical level of inquiry constitutes the parameters of criticism within the official view of statistics. Hence the reply

to criticism of British registered unemployment figures was that the changes in measurement took place because of necessary alterations to the eligibility and administration of unemployment.

Secondly, we were able to identify a list of categories which should be considered in the social construction of unemployment data. Migration, gender, education and training, disability and older people were all found to be significant in the construction of unemployment. In some cases, such as Switzerland (with migration) or Belgium (with early retirement) or the Netherlands (with disability pensions), the state has taken an activist stance with one of the categories to consciously shape the level of unemployment. Indeed, even where the state did not go to such extremes, a combination of strategies redefined the labour market of the 1970s and 1980s to narrow the unemployment share of those in the population of working age. The implications of this are serious. Criticism on the technical level had mainly been of registered unemployment figures. However this methodology puts a question mark over the better trusted comparative labour force survey unemployment rates. Indeed, it would suggest that these rates are not comparable, in the sense in which they are superficially presented, no matter what degree of harmonisation that exists. These figures provide a rough guide, the best

one we have, but nevertheless they are a rough guide which conceals the complexity of the social construction of unemployment.

Interesting political implications arise from this. One question that arises is the extent to which there are offenders in the international community when it comes to unemployment data. Such notions are not without precedent, the statistics of the Eastern bloc were always considered, at the very least, as breaking the norms and conventions of good statistical practice. A case could be made for singling out individual countries as manipulating their unemployment statistics. It would seem that there are countries which maintain comparatively low unemployment levels artificially, Switzerland, Austria or even Japan could be included in this category.

However, pointing the finger at other liberal democracies may not have the same ideological value and may raise embarrassing scrutiny of one's own statistics. This is no conspiracy of silence, but a product of the shared ideological framework for statistics. Hence the international organisations, nation states and statisticians are mutually reinforcing, as they share the same view of the world. Rather than there being individual countries guilty of statistical manipulation

of unemployment data, this manipulation is endemic to the measurement of unemployment itself, and therefore, becomes a matter of degree.

Thirdly, the general study revealed the diversity and complexity of Western European states and therefore the value of more in depth studies of single countries. The methodology which was used at the general level showed real limitations. In the third chapter, the insights into individual countries were very limited and could only provide a broad overview. The methodology at the general level could demonstrate the existence of complexity, without actually getting to grips with that complexity.

The validity of looking at both the general and the specific became clear. The general study was followed by the three single country studies, in order to retain a comparative dimension and investigate in greater detail the measurement of unemployment. We move then to the conclusions that the single country studies were able to provide.

On the first level, controversy is endemic to the measurement of unemployment. In each of the cases measured unemployment was racked by controversy. In

Britain, France and Poland unemployment figures caused controversy. However, the content of that controversy differed. In Britain, left and right developed critiques of unemployment figures which remained more or less fixed in the 1970s and 1980s. They were connected to differences in economic thought, ideology, and policy towards unemployment, in other words rival conceptualisations of unemployment. In the 1980s the controversy centred on a critique of changes to official unemployment figures, on the claim that the government had cooked the books to make their unemployment record look better than it was. In France, this second element also existed but served to confuse the left-right division that existed due to the Socialist Party in office. Government reaction to criticism and alternative indices in Britain and France was similar. In both cases senior statisticians, Hibbert and Malinvaud, bolstered flagging public confidence in unemployment statistics. The explanations for the lack of confidence in unemployment statistics was put down to public ignorance, opportunistic journalists and politicians and technical difficulties or isolated errors. It was at this point that the governments showed their strength. Both in Britain and France, the governments' position of strength comprised of three elements, the state monopoly of statistics, the widespread acceptance of the statistical consciousness

and international organisations monopolising authority to resolve such disputes. Here the duality of the statistical consciousness is revealed. For statisticians, the criticism of government statistics was an attack on their professionalism, to which they reacted defensively. In reality, the question of professionalism is a red herring obscuring the real issue which is criticism of a process which the state monopolises. Trapped in the ideological framework of the statistical consciousness, this duality even confused the critics. A logical criticism of unemployment measurement has, therefore, to challenge, not only the detail of the manipulation but also, the wider socially constructed statisical consciousness, the state monopoly of statistics and the right of international organisations to resolve the disagreements.

In both Britain and France, alternative indices relied on manipulating official data. The timing, accuracy and methodological rigour of the official series could not therefore be matched. In France, the ILO stepped in to rule in favour of official methods leaving Stoleru to abandon his alternative series. In Britain, the statisticians' organisations, and official statisticians sprung to the defence of their profession. In both cases, the conclusion that criticism of statistics implies criticism of the state monopoly of statistics

and the illusions of statistical consciousness were not made a central issue of the debate.

In Poland, the situation was complicated by Stalinism and the transition to the market. Controversy of unemployment measurement existed in a very different form than in the West. In the case of the Soviet bloc the very existence of unemployment was denied and was therefore controversial. The debate and estimates of Western scholars were met with official silence, however oppositionists did attempt to grapple with the notion. In Poland, unemployment was dubbed the problem without a name. Stalinist planning reconceptualised the labour market, the concept of unemployment was abolished. This does not mean that unemployment itself did not exist. However, the conceptualisation of the labour market did have a significant impact on the form of unemployment (`frictional' and `hidden'). As our theoretical analysis might have suggested, the existence of generalised wage-labour and cyclical accumulation of industrial capital led, in however a truncated form, to the existence of unemployment. With the transition to a market economy, comes a new conceptualisation of unemployment, with it unemployment statistics, controversy and contradictions in their use. In the new climate, it is easier to openly criticise unemployment statistics.

The pattern of development of each country is able to give an invaluable insight into its measurement of unemployment. The general level of investigation was unable to reveal this. Britain and France might seem too similar in their history for this to be the case. However, the comparative development of Britain and France allowed for important insights into the measurement of unemployment in two countries. The traditional account of French development is of relative economic backwardness. Historical investigation had, however, revised this view to identify the higher wage-skill, smaller unit of production, lower urbanised pattern of development. That France was not backward in comparison to the rest of Western Europe, but that its pattern of development was different led to a history of unemployment where emergence measurement and conceptualisation does not lag significantly behind Britain. The particular nature of French development, though not retarding unemployment's emergence, did effect its scale in the period before Second World War. The history of Polish development is dominated by questions of independence, Stalinism and transition. Independence after the First World War brought a modern statistical apparatus and unemployment insurance and measurement. Stalinism suppressed much of those achievements but did develop a statistical apparatus in its own image. Stalinism did signal rapid

industrialisation and the further generalisation of wage labour, so that despite its official denial of unemployment, it has created the conditions for open unemployment of a wider scope come the transition.

Our investigation of the three countries was also able to put comparative experience of the last decade under the magnifying glass. Both Britain and France use a combination of categories which had the effect of reducing levels of unemployment. Both used youth training schemes. In France, despite the greater press attention given to schemes as a means to take the youth from the unemployment figures, the rise in education participation involved far greater numbers. Both countries saw a significant fall in participation of 50-65 year olds. However, French policy-makers had a far more state-orientated means of achieving this with extensive early retirement schemes which were on a far greater scale than in the UK. The French state confirmed this strategy by lowering the retirement age. However, in some respects, Britain and France had quite different strategies. In Britain, policy-makers opted for the tacit expansion of disability measures though this category did not play a significant role in France. Here, women found themselves more likely to become unemployed than men. However, this was not the case in Britain. In Poland the transition sees the beginnings of

a new conceptualisation and categorisation of the labour market. Hence the state is in the process of establishing disability, gender, and the unemployed as labour market categories.

The issues raised in the thesis have a particular pertinence to the future. Most forecasts of the nineteen nineties predict a continuation of the sluggishness of the world economy. Hence mass unemployment is here to stay for at least the medium term. The long-term weakness raises several questions that should properly be dealt with here. Firstly, do states aim to reduce the levels of measured unemployment? On one level, it could be argued that many of the measures that reduce the levels of unemployment are genuine welfarist attempts to deal with the problems of unemployment. Indeed, this is the case, however it is not the whole picture. Other measures are clearly more directed to reducing the numbers of unemployed. Also, some of the welfarist responses could be criticised for the marginalisation of sections of the population, in particular the disabled, the young and the old. So if it is the case that governments consciously attempt to reduce the numbers of unemployed, why is this the case? Unemployment is damaging, but unemployment figures may limit the damage. A bad unemployment record is a disincentive to investors. The experience of trying to attract investors

to unemployment black spots has been at best patchy, as high levels of unemployment deteriorate local labour markets. The illusion of lower unemployment limits the political damage of unemployment, unemployment is an individual not a collective experience, unlike for example the use of a national rail system, therefore it is difficult for voters to validate claims about unemployment through their own experience. It is only one of several ways in which the electoral damage of unemployment has been limited by governments. Governments have an interest in reducing the level of unemployment through the tools of the welfare state and the statistical apparatus. The limit is set by the contradiction within statistical consciousness, that is, statisticians seek internationally comparable and professionally produced data. In the sphere of statistical methods, definitions and harmonisation, significant advances have been made over the last two decades. However, what is outside this sphere is not the concern of statisticians. It is this contradiction which is at the heart of the controversies of measured unemployment. The economic crisis also raises the further question as to continued ability of the state to act in this manner. As we have already established, measures adopted by the state to reduce the level of unemployment are mainly within the realm of the statistical apparatus and the welfare state.

The implications of economic malaise since the 1970s have fed through into the ideological level with the increased questioning of statistics. States are under pressure to reduce levels of unemployment at a time when, certainly in high welfare countries, there is an unprecedented level of control of the categorisation of the labour market and technical capacities in the field of statistical production.

However, the weakness of the economy saps the welfare state, which is the way in which the state categorises the population, through education, pensions, unemployment and disability benefits and so on. Hence, the degree of control over categorisation of the population may start to loosen. This tendency will be most stark in weaker economies, such as Poland, where the creation of large scale early retirement or training schemes may prove simply beyond the means of the state. But it may also, sooner or later, be reflected in the stronger economies.

The statistical implications of the thesis are twofold.

Firstly, the empiricist notions of statistics should be

discarded. Statistics is a social construction. One aspect of statistical training should be devoted to understanding statistics in society.

Secondly, a more critical approach needs to be taken to the ideological framework of modern statistics, what we have called statistical consciousness. This should involve an awareness of the statistical monopoly of the state.

The economic implications of the thesis fall into three categories.

Firstly, in the realm of economic forecasting, modelling and comparison, serious question marks have to be raised about the use of unemployment statistics. Sophisticated manipulation of data is meaningless if the data is suspect. Hence predictions, models and so on dealing with unemployment should be treated with caution. Indeed, some forecasting institutions in Britain purchased Unemployment Unit data which shows a degree of recognition amongst the forecasting profession of this point. If possible, forecasting should attempt to find more reliable categories or variables, or establish methodologies to rework existing series to make them comparable.

Secondly, economic theory has, until now, insufficiently dealt with the question of persistent mass unemployment. One implication of the reduction of unemployment by the various strategies employed is that it has allowed economists to treat the representation as reality. The response of the various Schools, from Monetarists to Keynesians, has not sufficiently explained the rise of mass unemployment and the policy prescriptions of both schools have not resolved the problem when adopted. In this context, figures may have proved a comfort from vexed questions.

Thirdly, criticism of economic policy and of the data should go hand in hand. The policy debate should be informed by an awareness of the contradictory nature of the economic data. Greater openness and scrutiny of statistical processes is necessary if the desired objectives are to be met.

Finally, we turn to the question raised in the debates on unemployment statistics in the 1970s and 1980s, `can we trust statistics?'

Unemployment statistics, and statistics in general, are a necessary part of modern society. However, the social

process by which unemployment is measured is too complex for statistics to be held up as holy truth. The key to the question of the trustworthiness of unemployment data is to understand the complexity of the social construction of those statistics. This understanding has to be dual in nature, in other words to work at the theoretical and applied levels, for it to be in any sense meaningful. Essentially, the understanding provides us with a set of parameters for the use of unemployment statistics. These parameters may be used to two ways. Firstly, they define the limitations to the international or historical comparability. Secondly, they act as a guide to criticism of government methods of unemployment measurement. Unemployment measurement then should not be trusted, as trust conceals the complexity of the process of unemployment measurement, rather it should be understood and used with appreciation of its inner nature and limits.

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Appendices: Tables (numbered according to which chapter they refer)

Table 2.1a: Size of workplace by industry in France from the 1906 census

Industry	Median	Percentage by number of employees in the workplace			
		1-10	10-100	>100	>500
Total	45	32.2	27.6	40.2	18.5
Food	4	62	25	13	
Garments	6	58	28.5	13.5	
Wood	6	58.5	32	9.5	
Construction, public works	12	47	40	13	
Leather & skins	18	41	35	24	
Quarrying	29	28	46	26	
Print	47	18	45	37	
Ceramics, glass	132	14	30	56	20
Chemical	118	11	36	53	21
Rubber, paper	142	7	34	59	20
Textile	200	9	22	69	26
Metal work	80	27	26	47	24
Metallurgy		0.66	2.2	97.2	80
Mines		0.25	3.5	96.2	86

(Median: the size of establishment such that 50% of those employed are in larger establishments, 50% in smaller ones.)
source: Braudel & Labrousse, p.259

Table 2.2a: Coverage of public pension insurance 1900-1970
(percentage of the labour force)

	France	Germany	Netherlands	UK
1900	8	51	0	0
1915	9	58	50	55
1930	15	64	55	90
1945	52	65	66	109
1960	93	82	169	99
1970	100	81	170	98

source: P.Flora & A.J.Heidenheimer, The Development of the Welfare State in Europe and America, Transaction, 1981.

Table 2.3a:Origins of state unemployment and welfare provision

	unemploy't insurance	employment exchanges	accident insur.	sickness insur.	pension insur.
Germany	1927[a]	1910,1914[b]	1884	1883	1911
France	1928	c.1900	1898	1928	1910
UK	1911,1920[c]	1908[d]	1880	1911	1908
Austria	1920[e]	c.1900	1887	1918	1906
Switz	1924[f]	c.1900	1911	1911	1931
Denmark	1933	1913		1922	1891
Neth.	1919		1901	1892[i]	1919
Belgium	1920	c.1900	1903	1919[j]	1927
Sweden	1935	1906	1901		1913
US	1935	1933	1917[h]		1935
Japan	1947	1921,1925[g]	1916	1926	1926

a. but unemployment benefits introduced in 1918
b. 1910 the labour exchanges regulated, 1914 central labour exchange established
c. 1911 limited coverage, 1920 extended to all workers except domestic and agricultural workers.
d. 1902 for London only
e. unemployment benefits introduced in 1918.
f. Unemployment insurance introduced to Bern in 1893 and St. Gallen in 1884, unemployment benefits from 1917.
g. In 1921 law established state employment exchanges, 1925 regulated private ones.
h.individual states had previously introduced accident insurance but were ruled unconstitutional by the courts in 1917 supreme court accepts it.
i.regulation of the extensive private schemes and means tested payments for those not covered
j. legislation passed in 1913 but only implemented via further acts in 1919 and 1930.

sources:
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Table 3.1a: Net benefits on old age pensions as a percentage of previous earnings in 1987, for a single person with average earnings

Belgium	69
Denmark	61
Germany	82
France	92
Ireland	49
Italy	81
Netherlands	93
United Kingdom	46

source: Eurolink Age Bulletin, October 1987, p.2

Table 3.2a : Social security expenditure: Percentage of the total expenditure spent on the following functions in 1983

	B	DK	D	FR	IRL	IT	NL	UK	E9	G	E
Old age	27.0	34.3	29.8	34.0	24.9	34.7	27.0	40.6	33.3	70.3	42
Health	21.9	23.5	27.0	24.7	29.0	22.5	25.6	20.3	24.1	18.7	29
Family	9.9	9.4	6.5	9.6	9.4	6.9	8.1	10.6	8.3	3.3	0.02
Unemployment	14.2	13.7	7.1	9.8	13.1	3.2	12.7	10.1	8.4	2.7	15
Other	27.0	19.1	29.6	21.9	23.6	32.7	26.6	18.4	25.9	5.5	9.0
%GNP[1]	31.9	30.2	28.9	28.8	24.6	27.3	34.0	23.7	12.6*	20.2	18.5

1.social security expenditure as a percentage of GNP.
* European 11
source: Eurolink Age Bulletin, October 1987, p.2

Table 3.3a: School-leaving ages & enrolement rates in education and training

	1986	1975		1986		1987-88	
	S-L	15-19	20-24	16	16-18	17	21
Belgium	14	61.3	11.1	82	66	92.7	29.3
France	16	51.3	9.9	87	74	79.3	21.2
Germany	15	51.3	11.1	100	90	81.7	23.4
Greece	na	na	na	na	na	55.2	16.6
Denmark	16	na	na	90	77	76.9	28.8
Italy	14	40.8	10.8	69	65	na	na
Japan	15	76.3	14.5	96	79	89.3	na
Nethl'd	16	57.9	12.3	98	86	79.2	24.6
Norway	na	63.4	19.3	na	na	75.2	24.3
Spain	14	na	na	60	52	55.9	6.1
Sweden	16	29.6	11.4	92	78	83.1	11.3
UK	16	43.9	7.5	89	64	52.1	5.3
US	16	72.0	21.6	94	80	89.0	29.8

sources: OECD Observer, November 1978; OECD Observer, February 1991. Social Trends 1990;

Table 4.1a: Department of Employment and Unemployment Unit Figures for British unemployment 1982-1992 in 1000s

Year	Male		Female		Total	
	DE COUNT	UU INDEX	DE COUNT	UU INDEX	DE COUNT	UU INDEX
1982	2174.5	2217.4	796.7	860.8	2971.3	3078.1
1983	2084.8	2299.4	857.0	965.6	2941.9	3265.0
1984	2163.1	2385.0	940.0	1061.8	3103.2	3446.8
1985	2190.8	2415.3	983.9	1139.8	3174.7	3555.1
1986	2164.4	2432.1	979.0	1179.4	3143.4	3611.5
1987	1859.4	2169.5	799.1	1051.2	2658.5	3220.7
1988	1482.1	1852.8	618.0	923.7	2100.2	2776.5
1989	1204.3	1631.9	449.6	783.2	1653.8	2415.1
1990[1]	1179.0	1634.1	430.0	791.0	1609.0	2425.1
1991					2483.3	3600.7
1992[2]					2822.3	3944.0

All figures seasonally adjusted fourth quarter figures except
(1) which is first quarter figures.
(2) " third " "
Source: Unemployment Unit, UK Unemployment figures 1980-90, 1990 Labour Research, 1990-92.

Table 4.2a: FEMALE NON-CLAIMANT UNEMPLOYMENT

year	thousands	as % of LFS (ILO) female unempl.	as % of all LFS (ILO) unempl. non-claimants
1984	640	51%	74%
1985	600	51%	71%
1986	580	49%	72%
1987	590	50%	70%
1988	520	53%	70%
1989	530	63%	80%
1990	530	68%	62%
1991	540	59%	61%

source:
J.Lawlor & C.Kennedy,`Measures of unemployment: claimant count and LFS', Employment Gazette, July 1992. J.Lawlor, op.cit. Statistical Services Division (Department of Employment),` `Measures of unemployment: the claimant count and the LFS', Employment Gazette, October 1990. Anon.,``Measures of unemployment: the claimant count and the Gazette, August 1989. Anon.,``Measures of LFS', Employment characteristics of the unemployed', unemployment and Employment Gazette, October 1988.

Table 4.3a: Civilian labour force activity rates in Britain by sex and age

males	16-19	20-24	25-44	45-59	60-64	>=65	all>=16
1971	69.4	87.7	95.4	94.8	82.9	19.3	80.5
1976	70.5	85.9	95.7	94.9	80.4	14.5	78.9
1979	73.0	86.7	95.7	93.8	73.0	10.3	77.5
1981	72.4	85.1	95.7	93.0	69.3	10.3	76.5
1983	69.6	84.1	94.5	90.2	59.4	8.1	74.2
1984[1]	72.9	84.7	94.4	89.1	56.7	8.2	74.3
1984	73.5	85.0	94.5	89.6	57.3	8.4	74.5
1986	73.2	86.2	94.2	88.3	53.8	7.7	73.8
1989	74.3	87.3	94.4	88.0	54.6	9.0	74.2
1990	74.2	86.3	94.5	88.2	54.4	8.6	74.2

females	16-19	20-24	25-44	45-54	55-59	>=60	all >=16
1971	65.0	60.2	52.4	62.0	50.9	12.4	43.9
1976	68.2	64.8	60.0	66.5	54.3	10.3	46.8
1979	72.0	67.7	61.7	67.0	53.8	7.4	47.4
1981	70.4	68.8	61.7	68.0	53.4	8.2	47.6
1983	66.8	68.2	62.2	68.1	50.6	7.5	47.0
1984[1]	68.8	69.2	65.2	69.2	51.1	7.6	48.4
1984	69.4	70.2	65.9	69.5	51.8	7.8	49.0
1986	70.3	70.7	67.8	70.5	51.8	6.5	49.6
1989	72.9	75.2	72.0	72.2	54.3	7.6	52.5
1990	70.7	74.8	73.1	72.8	54.9	7.5	52.8

1.British labour force definition to 1984; from 1984 ILO definition
source: Social Trends 1992.

Table 4.4a: EDUCATIONAL AND ECONOMIC ACTIVITIES OF 16-18 YEAR OLDS 1976-88 (1)

	1976			1981			1986			1987			1988		
	m	f	t	m	f	t	m	f	t	m	f	t	m	f	t
population(2) (thousands)		2,409			2,748			2,633			2,577			2,547	
% of the age group:															
in f-t ed.-school	16	16	16	16	17	16	17	17	17	17	17	17	17	18	17
FE(3)	7	9	8	7	11	9	8	13	11	8	13	11	10	14	12
HE(3)	3	3	3	3	3	3	4	3	3	4	3	4	4	4	4
employed (4)	65	66	65	54	52	53	42	44	43	42	44	43	40	44	42
on YTS(5)	-	-	-	5	5	5	12	9	10	14	11	12	18	13	16
unemployed(6)	9	7	8	14	12	13	17	13	15	15	12	14	12	9	10
of which p-t ed. (included in employed/unemployed)(7)	22	5	14	19	5	13	12	5	8	11	4	8	10	4	7

(1) Age as at 31 August
(2) Some 10% of the age group attend evening only courses. These cannot be classified by education/employment status and are not shown separately in this table.
(3) Full-time and sandwich excluding private education outside school. Excludes those on YTS within colleges.
(4) Outside YTS; Including in 1976 and 1981 the unregistered unemployed and those who were neither employed nor seeking work (eg because of domestic responsibilities) and for 1986-88 those who were actively seeking work but not claiming benefit and those who are neither employed or seeking work
(5) Including those of YOP in 1976 and 1981 and those in further education establishments attending YTS/YOP courses.
(6) Registered unemployed in 1976 and 1981 and claimant unemployed in 1986-88 (DES estimates).
(7) Public sector part-time day study only, excluding those attending YTS courses. In addition, DES estimate of employer provision outside Local Education Authority colleges or YTS is 4% of 16 year olds and 6% of 16-18 year olds in 1983-4. The majority of part-time day students are in employment but some are receiving unemployment benefit under the 21 hour rule.

source: Training Statistics 1990, HMSO, 1990.

Table 4.5a : Number of recipients of disability benefits in thousands

	1976-77	79-80	81-82	84-85	86-87	88-89	89-90
SDA*	105	165	180	245	265	270	284
IB	510	620	660	825	935	1100	1210
TOTAL	615	785	840	1070	1200	1370	1494

*.Non-contributory invalidity benefit before 1984.

sources: Social Trends 1991, HMSO, 1991. Social Trends 1989, HMSO, 1989. Department of Social Security Statistics 1991, HMSO, 1992.

Table 4.6a :Age distribution of disabled adults by severity of categpry: adults in private households.(%)

Age group	Severity					All disabled adults
	1-2	3-4	5-6	7-8	9-10	
16-19	1	1	2	1	3	1
20-24	2	2	3	2	2	2
25-29	2	2	2	2	2	2
30-34	2	3	3	3	2	3
35-39	3	3	3	3	2	3
40-44	3	4	4	3	2	3
45-49	5	4	4	4	2	3
50-54	6	6	6	4	4	5
55-59	9	9	7	7	5	8
60-64	13	12	9	8	7	11
65-69	14	12	10	10	11	12
70-74	16	14	12	12	10	14
75-79	13	14	15	15	14	14
80-84	9	10	11	14	15	11
85 and over	3	5	9	13	19	7
total	100	100	100	100	100	100

source:OPCS Disability survey, 1989.

Table 4.7a: Economic Activity of Disabled Adults Under Pension Age by Severity and Sex

Men	severity					All disabled adult under pension age*
	1-2	3-4	5-6	7-8	9-10	
working	44	34	24	15	7	33
looking for work	10	9	7	6	-	8
intending to look, but temp. ill	4	4	4	5	1	4
available, but not looking for work	5	5	6	3	2	5
full-time education	1	1	0	1	5	1
adult training centre	0	1	2	5	7	2
permanently unable to work	25	34	49	60	71	37
retired	9	9	5	3	6	8
keeping house	0	1	1	0	-	0
other	2	2	2	2	1	2
Women						
working	39	35	23	14	3	29
looking for work	6	4	5	3	1	4
intending to look, but temp. ill	2	2	5	4	1	3
available, but not looking for work	4	5	4	3	-	4
full-time education	0	1	2	2	3	1
adult training centre	1	1	2	2	6	1
permanently unable to work	15	23	35	54	79	31
retired	3	2	2	1	1	2
keeping house	29	26	22	16	6	24
other	1	1	1	1	-	1

*65 men, 60 women.

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source: OPCS disability survey, 1989.

Table 4.8a : Whether looking for work and reasons for not looking given by disabled people under pension age who may work again: adults living in private households.

status	men %	women %	all %
currently looking	53	45	49
has stopped looking because:-			
no suitable jobs for someone with subjects disability	14	10	12
no suitable jobs - general employment situation	6	8	7
other reasons	2	5	4
has not looked for work because:			
no suitable jobs for someone with subjects disability	18	22	20
no suitable jobs - general employment situation	3	4	3
other reasons	4	6	5

source: OPCS disability survey, 1989.

Table 5.1a: COMPARISON OF OFFICIAL AND ARIES UNEMPLOYMENT STATISTICS

	A DEFM	B ARIES	A-B ARIES-DEFM
Dec. 1982 (s.a.)	2,118,600	2,338,600	220,000
March 1985	2,416,000	2,833,200	417,200
June 1885	2,447,700	2,811,700	364,000
Jan. 1986	2,436,000	3,040,000	604,000

s.a.=seasonally adjusted

source: Annee Politique, Economique et Sociale, 1982-6, Le Monde 23/7/87

Table 5.2a :UNEMPLOYMENT PEAKS IN INTERWAR EUROPE

country	peak year	unemployment rate	thousands unemployed
France	1936	4.5%	860
Britain	1932	21.5%	2,745
Germany	1932	30.1%	5,575
Belgium	1932	23.5%	72
Netherlands	1936	32.7%	414
Switzerland	1936	13.2%	81
Denmark	1932	31.7%	100
Poland	1932	16.7%	250

sources: B.R.Mitchell, European Historical Statistics, MacMillan, 1982;
J-J.Carre, P.Dubois and E.Malinvaud, French Economic Growth, Oxford University Press, 1976.

Table 5.3a: THE SECTORAL DECLINE OF FRENCH AGRICULTURE

year	active civilian population	employment in agriculture	share of total employment
1955	19048	5065	27.0%
1960	18951	4189	22.4%
1965	19813	3468	17.7%
1970	20750	2907	14.0%
1970*	21434	2751	13.2%
1975	22354	2156	10.0%
1980	23370	1854	8.5%
1985	23916	1581	7.4%

source: Employment and Unemployment 1971-77, Eurostat, 1978.
Employment and Unemployment 1988, Eurostat, 1989.

Table 5.4 a: PARTICIPATION RATES IN FRANCE
BY AGE GROUP 1968-89

	men				
year	15-24	25-49	50-54	55-59	60-64
1968	55.7	97.5	93.2	83.9	65.9
1969	52.9	97.3	93.4	84.2	66.8
1970	52.5	97.3	93.4	82.5	65.3
1971	51.7	97.3	94.4	82.0	64.7
1972	50.9	97.6	93.8	82.0	63.4
1973	49.1	97.5	93.7	82.8	61.8
1974	48.5	97.4	93.6	82.0	60.4
1975	50.1	96.7	93.1	83.3	56.7
1976	48.9	96.8	93.6	82.7	51.6
1977	48.5	96.6	93.4	83.9	48.8
1978	46.9	96.5	92.2	82.6	45.0
1979	47.6	96.8	92.3	82.3	45.1
1980	47.1	97.0	92.9	80.9	47.6
1981	45.5	96.8	92.4	79.5	42.5
1982	51.5	96.9	91.4	75.6	40.0
1983	50.8	96.9	91.7	71.0	33.6
1984	49.3	96.6	91.4	68.1	31.1
1985	49.0	96.6	91.2	67.8	30.8
1986	47.7	96.7	90.8	69.4	27.4
1987	46.3	96.6	90.4	67.3	25.7
1988	43.5	96.4	90.2	67.3	25.4
1989	42.3	96.3	90.1	68.1	24.0

source: INSEE, Enquete d'Emploi, Collection D.

Table 5.5 a: PARTICIPATION RATES IN FRANCE BY AGE GROUP 1968-89

	women				
year	15-24	25-49	50-54	55-59	60-64
1968	46.1	47.5	48.4	45.7	35.3
1969	47.1	48.7	48.8	47.2	33.5
1970	46.2	49.3	49.1	45.8	33.7
1971	44.7	50.4	48.6	44.5	32.7
1972	44.3	51.9	50.1	45.0	32.7
1973	43.7	53.7	51.2	42.9	32.5
1974	43.7	55.7	50.9	43.6	31.2
1975	45.6	58.3	52.2	43.5	29.8
1976	45.7	59.8	51.8	44.9	27.7
1977	45.4	61.4	52.5	46.4	27.2
1978	44.1	62.0	52.0	45.7	24.1
1979	44.4	63.8	53.1	45.9	24.0
1980	43.2	64.5	54.7	47.3	27.3
1981	42.5	65.5	56.8	46.6	25.3
1982	42.5	67.6	57.6	46.1	23.3
1983	41.5	68.8	56.7	43.7	20.6
1984	41.1	70.0	58.1	42.9	19.0
1985	40.3	70.8	57.8	42.8	18.9
1986	39.7	72.4	59.1	43.1	18.4
1987	38.7	72.3	59.8	44.6	18.0
1988	36.1	72.9	60.4	45.3	17.9
1989	35.2	73.0	62.2	44.7	17.7

source: INSEE, Enquete d'Emploi, Collection D.

Table 5.6a: SITUATIONS OF THE YOUNG IN FRANCE (16-25 YEARS) MARCH 1983-MARCH 1991

situation	1983	1984	1985	1986	1987	1988	1991
			percentages				
education	29.9	30.9	32.0	33.1	34.6	36.3	42.8
employment	41.3	38.8	37.0	36.1	32.1	31.6	32.1
schemes	4.3	4.3	5.6	8.0	10.7	10.2	8.5
unemployed	9.8	11.9	12.4	11.5	11.3	9.9	7.7
inactive	6.8	6.7	6.8	5.9	5.7	5.4	5.4
national service	2.9	2.7	2.9	2.9	2.7	2.7	3.2
residual	3.9	3.7	3.5	2.5	2.9	3.7	0.3
total population 000s	8583	8584	8556	8532	8528	8537	n/a

source: B.Montelh & F.Morgensztern,`Jeunes a tout faire', Autrement, no.110, October 1989.
OECD Economic Surveys: France 1991-2, OECD, 1992

Table 5.7a: Beneficiaries under various preretirement schemes, 1968-88

year	1963 FNE Act	GRL	GRD	AS-FNE	ACS	ACC	total
1968	11,333						11,333
1969	13,868						13,868
1970	13,405						13,405
1971	13,992						13,992
1972	14,151	23,186					37,337
1973	11,921	40,984					52,905
1974	9,423	54,924					64,347
1975	7,393	76,827					84,220
1976	5,942	97,470					91,412
1977	4,753	99,571	9,598				113,922
1978	3,629	99,983	43,441				147,053
1979	1,975	93,754	62,891				158,610
1980	1,221	118,029	95,538				214,788
1981	642	154,893	138,027	23,792			317,354
1982	53	201,831	197,472	53,207	61,701	146	514,410
1983	2	204,531	229,551	86,456	183,448	1,199	705,187
1984	1	188,849	220,790	121,750	150,545	1,432	683,543
1985		159,800	190,582	155,493	107,622	2,805	616,302
1986		126,840	162,254	175,000	62,680	5,370	532,144
1987		88,920	137,980	184,670	21,740	8,080	441,390
1988		84,800	135,100	186,230	18,510	8,510	433,150

source: UNEDIC, Bulletin de Liaison, appendix 8, no.92-206, 1987.

Table 5.8a: Beneficiaries of Labour Market Programmes

(average stock in thousands)

measure	1973	1980	1987	1988	1989	1990
early retirement	44	188	470	394	344	288
unemployed exempt from job search	0	0	141	209	220	230
professional training for the unemployed	47	87	151	202	206	242
private sector subsidised employment	0	344	767	542	536	613
public sector employment contracts	0	0	202	204	167	149
total	91	619	1731	1551	1473	1522

source: OECD Economic Surveys: France 1991/2, OECD, 1992.

Table 5.9a: EFFECT OF EMPLOYMENT SCHEMES ON UNEMPLOYMENT
(in thousands of avoided unemployed)

	Stage and non-market jobs	Early retirements	Job creation schemes	Total
1974	30	26	0	56
1980	66	115	7	188
1985	120	150	14	284
1986	145	130	14	289
1987	136	98	18	252
1988	142	66	23	231

Source: Le Monde 10/5/90

Table 5.10a : PART-TIME WOMEN IN THE EUROPEAN COMMUNITY

country	share of part-time in total employment	share of part-time among female employees	share of part-time among male employees	female activity rates
Netherlands	31.7%	58.4%	14.8%	41.7%
Denmark	23.4%	40.6%	9.9%	59.9%
UK	21.7%	43.5%	4.6%	51.4%
Germany	13.4%	30.4%	1.7%	42.1%
France	12.1%	23.6%	3.3%	46.0%
Belgium	10.2%	28.0%	1.8%	35.7%
Ireland	7.5%	15.3%	3.4%	33.7%
Portugal	5.9%	7.7%	0.9%	46.5%
Italy	5.7%	10.0%	2.5%	34.6%
Spain	4.8%	11.1%	1.0%	31.4%
Greece	4.4%	6.8%	2.1%	35.1%

source: Labour Force Survey, Results 1989, Eurostat, 1991.

Table 5.11a: FRENCH WOMEN'S UNEMPLOYMENT EXPERIENCE

year	women registered unemployed 1000s	share of women in total unemployment (France) %	share of women in total unemployment (European 12) %	share of 16-25yrs in total women's unemployment
1976	490	52.5	37.4	50.1
1977	573	53.4	39.6	49.9
1978	615	52.7	41.0	47.9
1979	717	53.1	43.1	49.3
1980	792	54.6	43.4	49.0
1981	914	51.5	41.4	48.9
1982	1003	50.0	40.9	48.5
1983	1012	49.0	41.0	47.3
1984	1114	47.6	41.6	46.8
1985	1186	48.2	42.3	42.8
1986	1242	49.3	43.6	38.9
1987	1342	50.5	44.9	34.9

Labour Force Survey results

year	unemployed 1000s	share of women in total unemployment (France) %	share of women in total unemployment (European 12) %	share of 16-25yrs in total women's unemployment %
1983		50.7	45.2	54.9
1984	1213	47.5	45.7	48.3
1985	1281	51.3	46.2	49.7
1986	1269	54.1	47.2	51.6
1987	1399	53.7	49.2	48.6
1988	1334	50.0	51.4	39.6

Source: Employment and Unemployment 1988, Eurostat, 1988
Employment and Unemployment 1989, Eurostat, 1989.

Table 6.1a: Unemployment in Poland 1990-2

end of month	total in 1000s	rate	women
11.90	1089.1	5.9	554.9
12.90	1126.1	6.1	573.7
1.91	1195.7	6.6	611.3
2.91	1258.9	6.8	644.5
3.91	1322.1	7.1	679.0
4.91	1370.1	7.3	707.9
5.91	1434.5	7.7	742.9
6.91	1574.1	8.4	819.7
7.91	1749.9	9.4	912.0
8.91	1854.0	9.8	972.3
9.91	1970.9	10.7	1033.7
10.91	2040.4	11.1	1077.5
11.91	2108.3	11.4	1113.6
12.91	2155.6	11.8	1134.1
1.92	2211.8	12.1	1160.8
2.92	2245.6	12.4	1174.2
3.92	2216.4	12.1	1161.5
4.92	2218.4	12.2	1165.9
5.92	2228.6	12.3	1171.6
6.92	2296.7	12.6	1220.4
7.92	2409.1	13.1	1286.3
8.92	2457.1	13.4	1314.3
9.92	2498.5	13.6	1341.9
10.92	2477.3	13.5	1341.2
11.92	2490.1	13.5	1341.3
12.92	2509.3	13.6	1338.8

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source:Builetyn Statystyczny, February 1992, January 1993

Appendices: Figures

Figure 2.1a: Introduction of Factory Legislation in Comparative Perspective

Country	Date	Measures
Britain	1802	prohibits apprentices working >12 hr/day
	1819	" " children <9yr working
	1833	9-13yr limited to 9hr/day
		12-18 " " 12 "
	1840	prohibits chimney sweeping by children
	1842	" " women and < 13yr down mines
	1844	women limited to 12hr/day, regulations on dangerous machinery
	1874	women and children limited to 10hr/day
	1891	prohibits children <11yr working
	1901	" " <12yr "
	1914	" " <14yr "
France	1841	prohibits children <8yr working, limited 8-12yr to 8hr/day, 12-16 to 12hr/day[1]
	1851	apprentices <14yr limited to 10hr/day, 14-16yr to 12hr/day
	1883	prohibits children <12yr working
	1892	prohibits children <13yr working unless passed education test, limited 13-16yr to 10hr/day, 16-18yr to 12hr women restricted to 11hr/day prohibited from mines
	1893	prevention of accidents; health + safety
	1900	10 hr/day
	1905	8hr/day for miners
	1906	weekly day of rest
	1910	truck system ended
	1910	codification of factory laws
Germany (Prussia to 1871)	1839	prohibits children <9yr working, limited hours for <16yr
	1849	truck system ended
	1853	prohibits children <10yr, <11yr (1854), <12yr (1855) working; limited <14yr to 7hr/day
USA	1848	prohibits children <12yr working in Pennsylvania cotton mills
Netherlands	(1874	ban on child labour <12yr)
	1889	prohibits children <12yr working limits women and children 12-16yr to 11hr/day
	1919	8hr/day
Russia	1882	prohibits children <12yr working, limited 12-15yr to 8hr/day
	1897	11hr/day
Belgium	1889	prohibits children <12yr working, limits women <21yr and children 14-16yr to 12 hr/day

1921 8hr/day

Country	Date	Measures
Japan	1911[2]	prohibits children <12yr working limited work day to 12hr prohibits night labour for women and children
	1923[3]	prohibits children <14yr working

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1. limited to workplaces employing 20 or more or steam machinery
2. enforced in 1916, but only on factories employing 15 or more
3. enforced in 1926

sources: H.Heaton, Economic History of Europe, Harper, 1936.
W.O.Henderson, Industrial Revolution on the Continent????
Kodhansa Encyclopaedia of Japan, Kodhansa, 1983.
E.H.Kossman, The Low Countries 1780-1940, Oxford University Press, 1978.

Figure 5.1a Various measures of unemployment in France, July 1972

Numbers Unemployed	Method of measurement
143,600	those on unemployment benefits
380,000	jobseekers at the end of the month
494,000 to 532,000	without work, seeking and available for work calculated from previous INSEE LFS
627,000	without work, `Cames coefficient'
820,000	without work, if we add the surplus population established by the local Mauberge study on unemployment

source: M.Fahy,`Pour evaluer le chomage', Projet, January, 1973.

Figure 5.2a: ILO and ANPE unemployment compared at the time of the 1987 and 1990 Labour Force Surveys

March 1987 break-downs	totals	March 1990 break-downs	totals
ILO unemployed & not registered 345,000		ILO unemployed & not registered 326,000	
	ANPE DEFM 1,2, or 3 2,918,000		ANPE DEFM* 1,2,or3 2,813,000
ILO unemployed & registered 2,222,000		ILO unemployed & registered 1,911,000	
	ILO unemployed 2,567,000		ILO unemployed 2,237,000
registered unemployed & not ILO unemployed 250,000		registered unemployed & not ILO unemployed 469,000	

*DEFM categories 1, 2, or 3 those seeking all forms of work, including part-time and temporary work.

source:`Bilan de l'emploi en 1990', Dossiers Statistiques du Travail et de L'Emploi,

Figure 5.3a:Training schemes and their treatment in the statistics

Name	status	pay	date
stage d'insertion de qualification (stages Rigout)	inactive	state	1981-1984
stage d'initiation dans la vie professionelle (SIVP)	employed	state/employer	1985-1992
travail d'utilite collective (TUC)	employed	state	1984-1990
conges de conversion	employed	state/employer	
contrats emploi solidarite (CES)	employed	state/employer 85/15%	1990-1992
contrats locaux d'orientation	employed	employer/state (30% SMIC)	1992
contrats d'orientation	employed	employer/state	1992

source:OECD Economic Surveys: France 1991-2, OECD, 1992
Schemes with an Impact on the Labour Market, Eurostat, 1987.